

L. M. Crosthwait, J. C. McCord, F. M. Austin, Litta E. Conard, Louisa Kauffman, S. D. Havens, Mrs. S. D. Havens, L. E. Eyer, Mrs. J. A. Beck, Mrs. Mae Garrigus, Mrs. Hofmann, A. A. Hofmann, Gladys M. Collins, H. A. Baird, Mrs. L. D. Welch, O. M. Rhodes, Mrs. Anna R. Hassler, Genevieve Moyer, Mrs. C. J. Moyer, E. J. Hyndman, C. J. Moyer, W. W. Travis, Mrs. W. W. Travis, Bryan Carlock, O. E. Bishop, Mrs. O. E. Bishop, Mrs. J. F. Bolin, A. C. Lartz, John V. Hileman, Mrs. Sadie H. Hileman, Mrs. William Moulic, Mrs. J. C. Douglas, Marie Lester, Franklin H. Lutz, Nordon D. Kinne, H. M. Cox, C. A. Rosemond, A. K. Lundborg, J. I. Bergstrand, Mrs. Emma Coleman, Rebecca Himes, Hattie M. Brown, M. C. Anderson, Mrs. M. C. Anderson, Mrs. Clark Gideon, Cora Cummins, H. V. Miller, Mrs. Dora A. Miller, Mrs. D. M. Davison, Charles H. Damaske, Flora Eaton, Amos R. Eaton, G. L. Gulliford, J. D. Cook, H. R. Stone, Mrs. R. M. Jones, Mrs. Mary M. Hankey, Elizabeth M. Lewis, A. A. Wilcox, J. D. Lateer, Frank Raisbeck, F. G. Isminger, Miss Josephine Lewler, Mrs. R. R. Ausmus, Mrs. Van Dervoort, Jesse Stauffer, Mrs. I. N. Ives, Mrs. W. H. Marquarm, N. C. Ives, C. C. Wagner, H. G. Johnson, Harriett Lake-Burch, John F. Welch, Mrs. J. T. Welch, Mrs. Sard Hayes, Lee Hayes, Mrs. D. R. Guthrie, George W. Swalley, Mrs. Ora E. White, Mrs. Earl R. De Pew, Mrs. L. E. Eyer, Mrs. W. H. Land, Katherine Mantle, Mrs. John Keller, Lucy E. Detrick, Mrs. S. F. McEwen, Mrs. D. Griffin, J. E. Hawthorne, F. L. Harrison, Serena J. Eads, Eleanor Nye, I. M. Ackerman, Mrs. I. M. Ackerman, H. H. Frye, P. L. Bolinger, L. Lawton, Louise Henninger, Artrude Strange, Clarence Anderson, Bessie Miller, Romaine Braden Loar, Milton M. Bowen, Thomas Feddersen, Elis Hastings, L. H. Rathbun, Harriet White, Mary A. McColm, Anna Plumley, Catharine Mott, Loretta Gordon, Nimrod Mace, J. C. Mace, Minnie Moon, Mrs. J. C. Mace, A. T. Spath, E. C. Case, M. C. Gould, Mrs. H. M. Cox, Henrietta McCabe, W. A. Whitcomb, Agnes D. Whitcomb, A. B. Lewis, Ada Whitcomb Adams, W. Z. Roberts, Mrs. L. O. Veatch, H. H. Brown, Clara Coen, Carrie Loudon, C. P. Price, William H. Johnson, Frank Boulware, Addie M. Boulware, Sadie P. Rogers, Flora K. Johnson, Mary Wallace, Grace Bringham, W. A. Bringham, P. A. Rudosill, Constance Loar, Lucy Washburn, Mildred W. Loar, John Schlosser, Carl Johnson, W. L. Brown, Matox Warner, M. D. Meiss, G. F. Richardson, E. G. Purper, J. E. Willis, Hal Stewart, F. B. Herrin, E. D. Mehan, E. P. Sloan, Charles A. Hodgson, E. E. Schultz, Mrs. E. E. Schultz, Samuel R. White, J. C. Spangler, Eda H. Goodheart, Adelaide B. Holton, Hazel B. Karr, C. A. Hendryx, M. Belle Branson, and William Branson, all of Bloomington; Hattie Allin, of McLean; Mrs. Laura M. Borst, H. L. Cochran, E. J. De Lano, L. B. Underwood, W. H. Hurley, George C. Eccles, and E. W. O'Toole, of Chicago; John L. Ayers, E. B. Landis, and W. H. Ayers, of Danvers; Edgar Packard, J. S. Reece, and Wayne S. Moore, of Normal; Eliza J. McClure, Heyworth; Lucinda Whitcomb, Downs; James F. Cooper, Canton; N. R. Ray, Carrollton; D. O. Garber and R. E. Garber, of Peoria; Lola L. Cleveland, Pekin; F. D. Pfeiffer, Kewanee; and R. W. Short, Chicago, all in the State of Illinois; also Mrs. S. F. McEwen and S. F. McEwen, of St. Joseph, Mo.; G. H. Way, Boston, Mass.; C. W. Graves, Indianapolis, Ind.; W. M. Miller, Minneapolis, Minn.; S. D. Clayton, Mexico City, Mexico; Kathryn File, Tahlequah, Okla.; and M. B. Lamm, London, England, favoring consideration of Poindexter resolution to settle the controversy as to who is the discoverer of the North Pole; to the Committee on Naval Affairs.

By Mr. FLOOD of Virginia: Petitions of sundry citizens of the State of Virginia, relative to personal rural credit system; to the Committee on Banking and Currency.

By Mr. KENNEDY of Iowa: Petition of P. G. Guenther and others, of Burlington, Iowa, protesting against levying tax on cigars; to the Committee on Ways and Means.

By Mr. LEVY: Petition of Daggett & Ramsdell, relative to placing a stamp tax on proprietary goods; to the Committee on Ways and Means.

Also, petition of the National Cloak and Suit Co., protesting against the passage of House bill 17566; to the Committee on the Post Office and Post Roads.

Also, petition of the New York State Council of Carpenters, protesting against the high cost of living; to the Committee on Agriculture.

By Mr. LIEB: Petition of Cigarmakers' Local Union No. 54, of Evansville, Ind., Ed. A. Scheurer, chairman, and Ernst Schellhase, secretary, favoring the taking over by the Government as an emergency measure of the packing plants, cold-storage warehouses, granaries, flour mills, and such other plants and industries as may be necessary to safeguard the food supply of the people of this country during the war in Europe, etc.; to the Committee on Banking and Currency.

Also, memorial of Cigarmakers' Local Union No. 54, of Evansville, Ind., Ed. A. Scheurer, president, and Ernst Schellhase, secretary, remonstrating against proposed increase in the revenue tax on cigars; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of Joseph Heck, of East Hartford, Conn., protesting against the proposed raise in revenue tax on cigars; to the Committee on Ways and Means.

Also, petition of B. Lazarus and 101 other citizens of Hartford, Conn., protesting against the proposed raise in revenue tax on cigars; to the Committee on Ways and Means.

By Mr. McLAUGHLIN: Petition of sundry citizens of Muskegon County, Mich., favoring national prohibition; to the Committee on Rules.

By Mr. MERRITT: Petition of Melvil Dewey, of Lake Placid Club, New York, favoring the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Melvil Dewey, of Lake Placid Club, New York, favoring national prohibition; to the Committee on Rules.

Also, petition of Mrs. George F. Schroder, Mrs. F. E. Kendall, Mrs. M. E. Taylor, Mrs. C. E. Stringham, Mrs. W. H. Harrington, Mrs. J. F. Liscomb, Mrs. John V. King, Mrs. Benjamin Woodruff, Mrs. Raymond Morhous, Mrs. Parker, Mrs. R. A. Hatch, Mrs. L. V. Morhous, Mrs. F. S. Podwell, Mrs. H. Pearson, Mrs. Clara M. Wilson, Mrs. Sarah L. Hughes, Howard W. Hughes, Roberta Ratcliffe, Nettie S. Ratcliffe, and Ida L. Lewis, all of Saranac Lake, N. Y., protesting against the passage of House bill 16904; to the Committee on the District of Columbia.

By Mr. J. I. NOLAN: Petitions of sundry citizens of California, favoring the Hobson prohibition resolution; to the Committee on Rules.

By Mr. SAUNDERS: Petitions of E. Parr and other citizens of the State of Virginia, relative to rural credits; to the Committee on Ways and Means.

By Mr. YOUNG of North Dakota: Petition of the Young People's Society of Christian Endeavor of Fullerton, N. Dak., favoring manufacture by the United States Government, instead of by private concerns, of such munitions of war as are necessary for the safety of the Nation; to the Committee on Military Affairs.

## SENATE.

FRIDAY, September 4, 1914.

(Legislative day of Tuesday, August 25, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. KENYON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Asbust	Dillingham	Nelson	Simmons
Bankhead	Fletcher	O'Gorman	Smith, Ga.
Brady	Gallinger	Overman	Smoot
Bryan	Jones	Owen	Swanson
Burton	Kenyon	Perkins	Thompson
Camden	Kern	Pomerene	Thornton
Chamberlain	Lane	Ransdell	Vardaman
Clapp	Lea, Tenn.	Reed	Walsh
Clark, Wyo.	Lee, Md.	Shafroth	Williams
Colt	Martin, Va.	Sheppard	
Culberson	Martine, N. J.	Shields	

Mr. DILLINGHAM. I desire to announce that my colleague [Mr. PAGE] is still detained at home on account of illness in his family.

The VICE PRESIDENT. Forty-two Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. THOMAS answered to his name when called.

Mr. CLAPP. I desire to state that both the senior Senator from Wisconsin [Mr. LA FOLLETTE] and the senior Senator from Kansas [Mr. BRISTOW] are detained from the Chamber on account of illness.

Mr. CLARK of Wyoming. I wish to announce the unavoidable absence of my colleague [Mr. WARREN] and to state that he is paired with the senior Senator from Florida [Mr. FLETCHER].

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I wish also to announce the unavoidable absence of the junior Senator from West Virginia [Mr. GOFF], who is paired with the senior Senator from South Carolina [Mr. TILLMAN]. I will let this announcement stand for the day.

Mr. POINDEXTER, Mr. HOLLIS, and Mr. MYERS entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given, and request the attendance of absent Senators.

Mr. McCUMBER, Mr. McLEAN, and Mr. NORRIS entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

#### BILLS AND JOINT RESOLUTION INTRODUCED.

Mr. NELSON. I ask unanimous consent to introduce a bill for reading and reference to the Committee on Commerce.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The bill (S. 6440) to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn., was read twice by its title and referred to the Committee on Commerce.

By Mr. JONES:

A bill (S. 6441) for the upbuilding of the merchant marine of the United States; to the Committee on Commerce.

By Mr. OWEN:

A bill (S. 6442) granting a pension to Mary J. Wyant (with accompanying paper); to the Committee on Pensions.

By Mr. TOWNSEND (for Mr. SHERMAN):

A bill (S. 6443) granting a pension to George W. Irvin;

A bill (S. 6444) granting an increase of pension to Hiram E. Tinker;

A bill (S. 6445) granting a pension to Clarinda Stoner; and

A bill (S. 6446) granting an increase of pension to John C. Leith; to the Committee on Pensions.

Mr. FLETCHER. I should like to introduce a joint resolution which is rather a matter of emergency and have it referred to the Committee on Fisheries, and, out of order, I should like to submit favorable reports from the Committee on Commerce and have them go to the calendar.

Mr. SMOOT. I should like to ask if this is not all out of order?

The VICE PRESIDENT. Except by unanimous consent, it is. Is there objection?

The joint resolution (S. J. Res. 184) making an appropriation for expenses necessary to carry out the provisions of the act to regulate the taking or catching of sponges, approved August 15, 1914, was read twice by its title and, with the accompanying paper, referred to the Committee on Fisheries.

#### REPORTS OF COMMITTEE ON COMMERCE.

Mr. FLETCHER, from the Committee on Commerce, to which was referred the bill (S. 2335) to provide for the register and enrollment of vessels built in foreign countries when such vessels have been wrecked on the coasts of the United States or her possessions or adjacent waters and salvaged by American citizens and repaired in American shipyards, reported it without amendment.

He also, from the same committee, to which was referred the bill (H. R. 14377) to amend section 4472 of the Revised Statutes, reported it without amendment and submitted a report (No. 779) thereon.

#### INTERNATIONAL INSTITUTE OF AGRICULTURE.

Mr. FLETCHER. I report back favorably from the Committee on Commerce without amendment the joint resolution (H. J. Res. 311) instructing the American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions, and I submit a report (No. 778) thereon.

This is a joint resolution which has passed the House and it is approved unanimously by the Committee on Commerce. I believe there is no objection to it, and I ask consent that it be put upon its passage.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I object.

The VICE PRESIDENT. There is objection. The joint resolution will be placed on the calendar.

Mr. FLETCHER. I heard no objection to the request I made for the consideration of House joint resolution 311. It has been passed by the House and reported unanimously by the Committee on Commerce.

The VICE PRESIDENT. There was objection to it.

Mr. FLETCHER. I did not understand that there was objection.

The VICE PRESIDENT. There was objection.

#### THE MERCHANT MARINE.

Mr. GALLINGER. I ask, out of order, to present a resolution of the National Council of the Order of United American Mechanics, for reference to the Committee on Commerce. I ask that it be read, because it relates to the subject of the bill that has just been introduced by the Senator from Washington [Mr. Jones].

There being no objection, the resolution was read and referred to the Committee on Commerce, as follows:

Resolution unanimously passed by the National Council of the Order of United American Mechanics, held at Muncie, Ind., August 25, 1914: "Resolved, That the National Council of the Order of United American Mechanics deeply deplores the condition of our merchant marine, which is reduced to such a position that a foreign war has resulted in the practical suspension of our foreign trade."

"Resolved, That we favor such national legislation as shall tend to build up an American merchant marine of American-built ships, officered by Americans, and, so far as possible, manned by Americans, whatever the expense, and that without involving this Nation in any complication arising from the transfer to American registry of vessels not so built, so officered, or so manned."

#### PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Business Men's Association of Blythe, Cal., praying for the enactment of legislation to provide assistance to the cotton growers of the Palo Verde Valley, Cal., in the harvesting of their cotton, which was referred to the Committee on Agriculture and Forestry.

He also presented a memorial of sundry citizens of California, remonstrating against the enactment of legislation to require civil-service examinations for assistant postmasters, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of Local Branch No. 126, National Association of Post Office Clerks, of Santa Cruz, Cal., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. McLEAN presented a petition of the Woman's Christian Temperance Union of East Hartford, Conn., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of the Central Labor Union of Hartford, Conn., praying for an investigation by the Department of Justice as to the cause of advance in prices of food-stuffs, which was referred to the Committee on the Judiciary.

Mr. CLAPP presented memorials of sundry citizens of Pine, Carlton, Hennepin, and Washington Counties, in the State of Minnesota, remonstrating against national prohibition, which was referred to the Committee on the Judiciary.

#### STANDARD BOX FOR APPLES.

Mr. CLAPP. I ask unanimous consent that the House of Representatives be requested to return to the Senate the bill (S. 4517) to establish a standard box for apples, and for other purposes.

The bill has not yet been acted upon by the House.

Mr. SIMMONS. I shall not object to the request for unanimous consent, but after it is granted I shall feel impelled to insist upon the regular order.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

#### RIVER AND HARBOR APPROPRIATIONS.

Mr. SIMMONS. I will mollify my statement of a little while ago, because I had said to the Senator from New Mexico [Mr. FALL] heretofore that I would not object to his submitting an amendment.

Mr. FALL. I submit an amendment to the pending river and harbor appropriation bill, proposing to appropriate \$100,000 for improving the Rio Grande between Velarde and San Marcial, in New Mexico, and I ask for its reference to the Committee on Commerce.

The VICE PRESIDENT. The amendment will be printed and referred to the Committee on Commerce.

#### FEDERAL DISPOSITION OF STATE WATERS (S. DOC. NO. 572).

Mr. SHAFROTH. I have a copy of an address before the State Bar Association of Colorado by Mr. L. Ward Bannister, a lecturer on water rights in arid States at Harvard University, and also professor of that subject for 15 years in the College of Law of the University of Denver. It is a very able address. It deals with a question that is going to come before Congress soon in relation to the rights and jurisdiction of National and State authorities over the waters within the States, and I should like to have it printed as a public document. I ask unanimous consent that that may be done.

The VICE PRESIDENT. Is there objection?



Mr. SIMMONS. I will not object to this request, but—  
The VICE PRESIDENT. The Chair hears no objection, and it is so ordered.

#### RIVER AND HARBOR APPROPRIATIONS.

Mr. SIMMONS. Mr. President, I ask that the unfinished business be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, being the river and harbor bill.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SIMMONS. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside, in order that the Senator from Oklahoma [Mr. OWEN] may call up the bill reported by him on yesterday, proposing to amend the Federal reserve act.

Mr. BURTON. I think I must object to that. We are doing business in a very peculiar way. We are now proceeding under the legislative day of a week or 10 days since. It would add very much to the convenience of the secretaries in making up the Journal and facilitate the transaction of business to have a morning hour. The matter to which the Senator from North Carolina refers can easily be considered by the ordinary procedure of adjournment. So, Mr. President, I object.

Mr. SIMMONS. Mr. President, I hope the Senator from Ohio—

The VICE PRESIDENT. The Senator from Ohio has a right to object.

Mr. SIMMONS. I hope the Senator will permit me to make a statement before he insists upon his objection.

The VICE PRESIDENT. Does the Senator from Ohio yield for that purpose?

Mr. BURTON. Yes.

Mr. SIMMONS. Mr. President, the Senator from Oklahoma [Mr. OWEN] on yesterday evening asked to be allowed this morning to take up an emergency measure, which he stated would take only a very short time. The Senator has to leave the city to-day. I do not think his measure will take more than half an hour. It is of extreme urgency. I will state to the Senator from Ohio that it proposes some amendments to the banking act which the Federal Reserve Board have recommended, and which, if adopted, will afford the greatest possible relief to one-third of the States of this Union.

Mr. BURTON. That is a very strong case, Mr. President. The pending bill, however, is very important, and it ought to be considered deliberately by the Senate. There is a proper way, and there was a proper and a ready way yesterday, to obtain consideration for the bill to which the Senator from North Carolina refers, and that is by adjournment rather than by taking a recess. Under the circumstances, for the present, I shall therefore object.

Mr. President, in my remarks of yesterday I referred to that portion of the Mississippi River between the mouth of the Missouri and the mouth of the Ohio, and pointed out that the pending bill proposes to appropriate \$1,000,000 for that section, which is \$4 per ton for every ton of freight handled thereon during the last year. I also called attention to the steady decadence of traffic on this portion of the Mississippi River, which is especially noticeable to and from the city of St. Louis, the largest city on the river. I made the statement that it would be cheaper for the Federal Government to pay the freight on every ton handled on that portion of the stream than to continue these appropriations. I called attention to figures showing that the major part of that traffic was coal, amounting in one year to 125,000 tons, which was shipped from the Pittsburgh district to an establishment in St. Louis. I did not have the figures at hand, but I estimated that it would not cost more than \$3.25 per ton to carry that coal from Pittsburgh to St. Louis by rail. Since then I have received the exact figures.

The freight on coal from Pittsburgh and adjacent territory to St. Louis is \$2.50 per ton. So, on the major part of this traffic, shipments could be made from the mine to the factory for \$1.50 per ton less than we are now appropriating for that portion of the river. This emphasizes the fact, which I stated yesterday, that the \$326,000 on hand is ample for the proper care and maintenance of that portion of the river, especially in view of the fact that for 10 years the desired depth of 8 feet has been maintained, and that at this time, when balances in the Treasury are diminishing and additional taxation is proposed, it is an inexcusable waste of public money to appropriate the \$1,000,000 named in this bill. I question whether the majority of this Senate will take the responsibility of making so large an appropriation when it can be shown so easily to be both superfluous and useless.

For that portion of the Mississippi River below the mouth of the Ohio, from Cairo down, the estimate transmitted to Congress called for \$6,000,000. The House of Representatives raised this to \$7,000,000, and it was still further increased by the Committee on Commerce to \$8,000,000. A frightful flood visited that region in the year 1912, and I must concede that provision should be made for the repair and construction of the levees along that portion of the river and in exhausting every possible means to prevent the recurrence of the calamity of two years ago. As to the exact amount, there is room for discussion and consideration. Perhaps, in view of the lateness of the season, we ought not to think of appropriating more than \$6,000,000, the original estimate for this section of the river. It is true that work can be done on some portions of the river at a later season than in the Northern States, because of the more moderate temperature incident to the southern latitude.

In this connection, however, I want to say that the whole question of the improvement of the lower Mississippi River should be carefully reconsidered by Congress. It has been stated that communities adjacent to the river have taxed themselves to their full capacity; the statement has also been made, and I am inclined to think correctly, though there are no authentic statistics, that in the construction of levees more has been contributed by the adjacent territory than by the United States Government. On these points we should have accurate figures. We should first decide what is the proper proportion to be contributed respectively by the localities affected and by the United States.

The Mississippi is in a very important sense a national stream. Its drainage area includes a majority of the States of the Union. The lower portion of the valley is subject to enormous injury from frequently recurring floods. All these considerations bespeak fair and generous national appropriations; but we have before us a proposition involving the payment by the Federal Government of nine-tenths of the cost of improving this river. Mr. President, that is too large a proportion.

It is conceded that there are thousands and hundreds of thousands, yes, millions, of acres in this region which, but for this improvement, would be either valueless or of comparatively small value because of their exposure to floods. It is conceded that lands which are now practically worthless would be given a value of from \$50 to \$150 an acre by the improvement contemplated. In such a situation there is one rule only that is fair, namely, a proper apportionment of the expense between the States and the communities immediately affected and the Federal Government.

It must be conceded that this improvement is of a different nature from that of practically all other projects included in this bill. It is not intended principally for navigation; it is rather for reclamation. The amounts appropriated for dredging—and dredging is sufficient to maintain a channel of 9 feet—aggregate about \$300,000 or \$400,000 per annum. This is the only appropriation, aside from administrative purposes, which is made directly and entirely in the interests of navigation.

In addition to that there is the construction of levees, which has an indirect effect upon navigation, and the revetment of the banks, which also indirectly affects navigation; but the main purpose both of the levee and of the revetment is the preservation of private property and the protection of adjacent areas from damage by flood.

One of the first things is to ascertain with accuracy what the total costs for this work will be—the estimates are scarcely more than approximations. Just so soon as we have accurate information on this subject the Government should adopt a policy which should be characterized by liberality to that area, but which at the same time should be fair to the whole country.

Mr. KENYON. Mr. President—

Mr. BURTON. I yield to the Senator from Iowa.

Mr. KENYON. I should like to ask the Senator where the various lands are located that are to be benefited by this reclamation?

Mr. BURTON. The alluvial portion shown on the map there [indicating]. The jurisdiction of the Mississippi River Commission, by an act passed in the year 1906, extends above Cairo on the westerly side of the river to Cape Girardeau.

Mr. KENYON. I should like to ask the Senator how many thousand acres along the river are benefited by this reclamation work?

Mr. BURTON. I regret that I am not able to state that; in fact, I doubt whether there is any accurate estimate. The Senator from Louisiana [Mr. RANDELL] has given much attention to this matter, and can answer that more correctly, I think, than any of us.

Mr. RANDELL. Mr. President, the Mississippi River Commission estimates about 26,000 square miles in the area south

of Cape Girardeau would be overflowed if it were not for the levee system. That would, I think, amount to about 18,000,000 acres—I am not sure as to the exact acreage, but in the neighborhood of 18,000,000 acres. It should be understood, however, that the levees do not furnish absolute and complete protection at the mouths of some of the big rivers which empty into the Mississippi, such as the St. Francis, the Arkansas, the Yazoo, the Red River, and others. So we do not get complete protection, even with the levees. The acreage, however, is about 26,000 square miles.

Mr. BURTON. That would aggregate 16,640,000 acres.

Mr. KENYON. I should like to ask the Senator from Louisiana, if the Senator from Ohio will permit me, for I realize the Senator from Louisiana knows all about this subject, what increase relatively in the value of the land along the river takes place by reason of this reclamation work; in other words, without reclamation is the land good for anything at all?

Mr. RANDELL. Oh, yes; it is. The land is valuable for timber, and, to a certain extent, for cattle.

Mr. KENYON. But not for crops.

Mr. RANDELL. The higher reaches along the banks of the river never overflow. When we did not have levees when the water would rise it would flow over the low spots and fill up the rear sections of the basins. The Senator will notice that the basins run back quite a number of miles from the river. The banks of the river are, however, much higher than the interior, and prior to the construction of levees when the waters rose they flowed over into those spots and filled up the interior basins, leaving a considerable stretch along the immediate front which was not subject to overflow in those days, except when there was an unprecedented flood; the ordinary flood would not hurt those lands at all; so that it is rather hard to answer the question.

Mr. KENYON. I assume that is so; but I think I must misunderstand the Senator, or my judgment must be wrong about it, that the overflows have increased by virtue of levee construction.

Mr. RANDELL. Yes; that is true. The waters are supposed to get to that section more rapidly now than formerly, because of the superior drainage in States like Illinois, Indiana, Ohio, Missouri, Iowa, and others, where the lands have practically all been put in cultivation and a splendid system of drainage has developed. There were a number of shallow places which formed natural reservoirs in those States in times past, but many of them have been drained, as the lowlands of East St. Louis, for instance, have been drained. It was formerly true that when the rains fell they remained for quite a while in these natural, though small, reservoirs—most of them small. It was also true that for a great many years—in fact, until within the past 25 years—the St. Francis Basin, which you will notice on the upper left-hand portion of the map, was not leveed; there were no levees at all there until within about 25 years. The levee system started near the Gulf of Mexico and extended up through Louisiana, through Mississippi, and the lower portion of Arkansas, but there were not levees above.

In the St. Francis Basin there are between six and seven thousand square miles. The great floods which sweep down, especially from the Ohio and, to some extent, from the upper Mississippi and the Missouri, would pour over into the St. Francis Basin, filling it up and forming a great natural reservoir. When the levees were constructed along that point of the St. Francis Basin the waters were all retained in the main channel of the river between its levee lines, and, being retained there, the tendency was, naturally, to rise higher, and though the bed of the river—the low-water bed—has not risen, the flood plane, the surface plane, has risen considerably as a result of the levee building.

Mr. KENYON. Does the Senator's plan, which is before Congress and before the committee, as I understand, contemplate any part of the payment by the landowners?

Mr. RANDELL. It does.

Mr. KENYON. I think the Senator explained that.

Mr. RANDELL. I explained that fully.

Mr. KENYON. It comes back to me now. I am very much obliged to the Senator.

Mr. BURTON. Mr. President, in saying what I do about the necessity for a just and scientific adjustment of this problem of the improvement of the lower Mississippi I do not mean that we should decline at this time to make an appropriation. The floods of 1912 created an emergency, and undoubtedly a number of levees wholly or partially destroyed at that time have not yet been fully repaired. That is true, is it not?

Mr. VARDAMAN. That is true.

Mr. BURTON. An appropriation should be made in this bill; the only question is as to the amount. In connection with

the ultimate settlement of this question and the proper adjustment of its cost I desire to refer briefly to the Hungarian system, probably one of the most carefully devised of any in the world.

When an improvement is made by levees on the Theiss, the river most subject to floods, the territory adjacent is divided into three classes: First, that which is so inundated by the water that it is practically worthless; second, that farther back from the river which is regularly flooded; third, that land which is occasionally overflowed, still farther away. Before the improvement is undertaken a valuation is made of these lands, that of the first class being practically worthless, that of the second class being very much less than the estimated value after protection, and that of the third class, in which there is a certain increment in value.

The improvement is then made and the cost computed. First, the Hungarian Government pays its proportion of the benefits accruing from the protection. These are quite large, because the Government owns the railways, which often run close to the rivers, and they also include the highways. Then the benefit accruing is assessed against each of the three classes which I have set forth and every parcel therein. That is paid by taxation.

In Hungary it is within the power of the Central Government to levy taxes on land—a right which the National Government does not possess in the United States. One half the increased taxation due to the higher valuation of the land is paid to the Government and the other half is applied toward paying off bonds issued for the improvement. That is, if a parcel of land was worth \$1,000 before the improvement and \$10,000 after the improvement the added tax on the increased value, or \$9,000, is applied half toward retiring the bonds and the other half goes to the Government.

That plan would not be feasible here, because our central government has no power to levy taxes directly upon land; but it at least shows that where this subject has been most carefully considered costs are apportioned according to benefits, and in Hungary by far the largest share of the cost is met by increased taxation on the land.

This method is also suggestive, in that it demonstrates the desirability of ascertaining the value of the property affected before the improvement is made, when the land is in its natural condition, subject to overflow, and again after the improvement has been completed.

In enumerating a partial list of extravagant and injudicious projects included in this bill I have already referred to some seven different improvements. I come now to two which are much in the same class—the Trinity and Brazos Rivers in Texas.

The Trinity has been the subject of much pleasantry. It was said that in the last election in Texas the only thing that went dry was the Trinity River; and in the reports made upon this stream engineers who have examined it have expressed doubt whether, even by canalization and the construction of 37 locks and dams, there would be sufficient water to float even small-sized boats. But what has Congress done? What is it doing in this bill? It is proceeding under a survey made some 14 years ago—which it is now admitted was a mere reconnaissance, a most superficial survey—to make that improvement, without any knowledge of what it will cost and without any knowledge of whether or not it will accomplish any good.

I believe three locks and dams have been completed, but one of them has been kept out of commission because of a complication concerning sewage disposal in the city of Dallas, which made it necessary to keep the dam open all the time to allow the passage of the sewage. It was not possible to keep up the wickets of the dam long enough to determine whether there was sufficient water to float any boats; and to this day it is a problem whether there will be enough water in the river, after all this elaborate system of locks and dams is completed, to float boats from one lock to another.

Mr. SHEPPARD. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Texas?

Mr. BURTON. Certainly.

Mr. SHEPPARD. I have denied what the Senator says so often that it is hardly worth while to deny it again. I dispute absolutely the truth of what he says. Whenever the first lock and dam below Dallas is raised there will be sufficient water under the Commerce Street Bridge to give a depth of from 6 to 10 feet at all times.

Mr. BURTON. I have referred, however, to the whole system.

Mr. SHEPPARD. But this has special reference to the lock and dam immediately below Dallas.



Mr. BURTON. I stated that it had been necessary to keep it open so that the water might pass, in order to dispose of sewage at Dallas.

Mr. SHEPPARD. Yes.

Mr. BURTON. I understand that steps are being taken to dispose of that sewage in another way. I do not know whether the work has been completed or not, but it would be edifying to the Senate if the Senator from Texas, by reference to the report of any civil engineer, military engineer, or any other engineer, can show that there would be sufficient water in that river to operate those locks and dams.

Mr. SHEPPARD. I will do that.

Mr. BURTON. The former Chief of Engineers, Gen. Bixby, speaking upon this subject before the Committee on Commerce of the Senate a year ago last spring, said:

Why, of course we can provide sufficient water there, even if we have to pump it up from the Gulf of Mexico.

But he did not seem to feel at all certain that there was enough water to create in the respective pools an amount sufficient for floating boats.

Mr. SHEPPARD. Mr. President—

Mr. BURTON. Further, Mr. President, the engineers are now conducting an extensive and elaborate survey of this river. I do not know why there has been so much delay in its completion. It has been in progress, I believe, for a year and a half. That survey will test and also answer these questions, will determine the sufficiency of water, will determine all the physical characteristics of this proposed canalized river. What is the sensible thing to do? Is it to appropriate \$25,000 or \$50,000 for locks scattered at intervals here and there? Is it to go ahead and commit ourselves to an indefinite expense, or is it to wait until we know what results will be secured?

Why, under present conditions, since the establishment of the board of review in 1902, a proposition like this would not receive the favorable attention of Congress for a minute, because there is no such examination, survey, and report as is required by law.

Mr. SHEPPARD. Mr. President, the Senator said that the wicket of the dam immediately below Dallas had never been kept up for a sufficient length of time to determine whether or not there was water enough to float boats.

Mr. BURTON. Oh, I suppose they may have been put up at some time; but, generally speaking, unless the sewage-disposal system has been completed, it has been kept down.

Mr. SHEPPARD. But it has been kept up sometimes for two or three months at a time, sometimes longer—five or six months—and it has been kept up long enough to determine that there is a sufficient water supply in that pool to give from 6 to 10 feet of water under the Commerce Street Bridge.

Mr. BURTON. Is there any official report to that effect?

Mr. SHEPPARD. I do not know that there is any official report to that effect. I do not know that it has been examined by the engineers with that particular matter in view, but I know personally that that has been done.

Mr. BURTON. They are examining it now.

Mr. SHEPPARD. They are not examining that particular section with that particular end in view.

Mr. BURTON. They are examining the whole river, including that.

Mr. SHEPPARD. Not from the standpoint of water supply.

Mr. BURTON. The Senator from Texas has rather exaggerated my reference to this first dam. The reference I made was to the whole river on the question of the supply of water. It is true that the first engineer who examined this project spoke of the possible use of artesian wells to supply water here, but I think that plan is not now favorably regarded.

Mr. SHEPPARD. Mr. President, if the Senator will allow me to say so, there never has been any question as to water supply below what was called by the examining engineer the first section of the river. The only question as to water supply was in what was known as the upper reaches of the river. There never has been a question raised by any engineer as to the sufficiency of the water supply from a point 50 or 60 miles below Dallas to the Gulf. It is only in section 1 that there seemed to be some question about it; and a special report of the engineers found that that was in good shape, after a thorough examination.

Mr. CULBERSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the senior Senator from Texas?

Mr. BURTON. Certainly.

Mr. CULBERSON. Will the Senator let me read from the remarks made by the Senator as a Member of the House of Representatives on January 9, 1901?

Mr. BURTON. Yes. That is a good while ago; that is 13 years ago, but I am very glad to have it read. It is really almost a source of gratification that remarks of mine made so long ago as 13 years should be called to my attention.

Mr. CULBERSON. With reference to the Trinity River project, the Senator then said:

We have not included in this bill any new projects for locks and dams except in Trinity River, in the State of Texas, where we have appropriated or authorized \$750,000, part for general improvements and part for the construction of locks and dams.

I am frank to say to the committee that on first examining this project I did not think favorably of it, but I gave it a good deal of consideration. The committee called before them the engineer having the improvement in charge, and it seemed to us that an expenditure of this amount was justified. The river is easily capable of improvement. It has stable banks, and the construction of locks and dams is a comparatively easy problem. There is a great amount of traffic in prospect, both from the source to the mouth and from the mouth toward the source. In this particular it differs from many other rivers where the bulk of the traffic must necessarily be one way. Great quantities of cotton and grain will be carried toward the mouth, and from the mouth toward the source timber and building material for the large expanse of prairie tributary to Dallas toward the north.

Those are remarks made by the Senator from Ohio when he presented a favorable report on this project in the House of Representatives in January, 1901, and I commend them to the attention of the Senate at this time.

Mr. BURTON. I commend to the Senator from Texas the more accurate information which has been received since that time, and I suggest to him the desirability of examining that project and ascertaining whether or not the report of the first engineer, upon whom we relied, was correct. In those days I was more prone than I am now to accept the statements of boards of trade and others who made roseate prophecies of what would result from the construction of canals and the improvement of rivers. I have learned by most unpleasant experience that it is utterly unsafe to trust to clubs, to boards of trade, to contractors and others who have been coming here to Washington, and who are coming here now, to boom these various improvements. I have never believed in that improvement since I first saw it. My earlier information was derived from the engineer—not only from his report, which was very favorable, but from what he said when he appeared before us. In the year 1904, however, with other members of the River and Harbor Committee, I visited that locality and went down the river some 20 or 30 miles by boat. Mr. President, the stream was so narrow that the boat could hardly go 40 rods without bumping into one bank or the other. Never, since I saw the stream, have I favored any other course than making the best disposition we could of a very bad proposition.

The people of Dallas were very public spirited and liberal minded about it, and they offered to subscribe a certain amount of money, provided the Government would construct two or three more locks and dams above what I believe is called the East Fork. They stated that if these dams were constructed the river below the East Fork, when coupled with this improvement, would make navigation possible for four months of the year. So long as I was a member of the Committee on Rivers and Harbors after the year 1904 our policy and our only object was to do the best we could; not to waste the investment entirely, but, if possible, to gain something from the improvement of a river which, on more careful examination, proved exceedingly disappointing, and wherein it was shown clearly that the report of this engineer had been based upon a very partial and, at best, a most superficial examination.

Mr. CULBERSON. Mr. President—

Mr. BURTON. I am perfectly willing to say that if this river could be improved as a canal for the 511 miles from the mouth of the river to Dallas there would be a possibility of shipping to the sea cotton, grain, and other products which abound in the area around Dallas, one of the most fertile regions in the world. We were assured at that time that a considerable quantity of timber, stone, and building material could be sent up the river to Dallas, and thence by rail to Oklahoma and other points beyond. On more mature examination I am satisfied that the accounts we received in regard to the upstream traffic were both inaccurate and misleading.

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Texas?

Mr. BURTON. Certainly.

Mr. CULBERSON. I wish to ask the Senator if he did not, following the favorable report he made on this project in 1901, recommend there be made an appropriation regularly as the chairman of the Committee on Rivers and Harbors of the House up to 1909?

Mr. BURTON. Not up to 1909; up to 1907. It is possible there was some appropriation in 1909. I did not prepare that bill, by the way.

Mr. CULBERSON. I will ask the Senator if he did not, on February 15, 1909, submit a report recommending the passage of a bill which carried an appropriation of \$75,000 for the Trinity River?

Mr. BURTON. I did not submit that report. The Senator will find I had little to do with the bill of that year; but I have already explained the provisions in those bills. It was with a view of constructing enough locks and dams above the East Fork—I believe that is the name—to make it possible to carry navigation down to that point.

Mr. CULBERSON. If it would not—

Mr. BURTON. The Senator from Texas will not find any appropriation for any lock and dam below that point made by the House while I was chairman of the Committee on Rivers and Harbors down to and including the year 1907. A delegation of a couple of men, Mr. Cowart and another man whose name I have forgotten—

Mr. CULBERSON. Commodore Duncan.

Mr. BURTON. Duncan, appeared before the committee and gave their opinion that in the most favorable season of the year for the marketing of crops, in the later autumn, if there were two or, at the outside, three locks and dams located in the upper portion of the river it would make possible for this limited season traffic on the lower part of the river without locks and dams, and thus utilize the whole river. I wish to say in this connection that I am satisfied now that their opinions were based upon erroneous information.

Mr. CULBERSON. Will the Senator let me read from a speech of himself in the House of Representatives, March 17, 1902, on this project?

Mr. BURTON. Certainly.

Mr. CULBERSON. The Senator then said:

Numerous rivers are now under consideration, which have been surveyed and in which an estimate of the cost has been rendered. Among them are the Tennessee, the Trinity, in Texas, and so forth. One of the questions to be decided is whether these rivers should be improved on so extensive a scale. We have pursued no plan of compromise, we have considered no plan of dividing appropriations according to States or localities or the membership of this House. We have endeavored to consider every project according to its merits, and made that the sole criterion as to whether it should be included in this bill or not.

Mr. BURTON. Certainly; I think it was the disposition of the whole committee. They joined me very cordially in seeking to ignore both party and State lines. The substance of that extract from my remarks of that time. It seems to me, might be made a platform of river and harbor improvements.

Mr. CULBERSON. What I want to invite the attention of the Senator to is that, after reporting on its merits, he reported another appropriation in 1902 and reindorsed the project on its merits.

Mr. BURTON. My disposition toward this improvement changed decidedly after I saw it myself. Prior to 1904 I relied upon the reports of the engineers and the arguments advanced by those living in that locality.

More than that, Mr. President, what importance is it if I made a mistake at that time—more than 10 years ago? Should that be binding on the country or on me in the year 1914? If I had certain opinions about waterway improvements, or about a particular river, if I accepted the opinions of others or had erroneous opinions of my own, is that any reason why the Senate and the country should go astray in 1914?

I am perfectly willing to admit that I made mistakes in those days. We used the best light we had. We relied on the engineers, and usually properly so, but that did not prevent us from adopting some projects where promises failed to materialize.

There is another important fact in this connection. Between the year 1900 and this year 1914 there has been a decadence in inland waterway traffic, which is the most striking feature in the history of transportation in this country. Many streams reached their maximum traffic, some as far back as 1890, others in 1900, others in the years immediately following 1900, but from that date to this, barring exceptional instances which are easily pointed out, the general history has been one of constant decrease. If I have time I intend to give careful attention to this subject, and I shall especially call attention to the traffic on the Mississippi River. No one can read the statistics and analyze them and deny that since the year 1900 there has been a revolution in water-borne traffic on some of our largest rivers.

Mr. KENYON. Has the Senator finished Trinity River?

Mr. BURTON. Not altogether, but very nearly.

Mr. KENYON. As the Senator from Texas [Mr. CULBERSON] read what the Senator from Ohio had said when he was a Representative about Trinity River, would the Senator have any objection to my reading into the Record what a Congressman from Texas said in the House just a short time ago about this proposition?

Mr. BURTON. I do not want any rivalry between Ohio and Texas, but I think it is but fair to place the two against each other.

Mr. KENYON. I read the remarks by the gentleman from Texas [Mr. CALLAWAY] in Committee of the Whole:

Mr. CALLAWAY. Mr. Chairman, I move to strike out the last word, Mr. Chairman, I am going to discuss only one of these propositions, I am acquainted with the Brazos River; I am acquainted with the Trinity River. \* \* \* Mr. Chairman, when I come into this House and see men bring in a proposition to navigate the Brazos and Trinity Rivers, I am surprised, for going back and forth over the State, on horseback and in wagon, I ford these rivers and time and again I have seen them standing in holes below the points called the head of navigation. In Dallas for months they could not get enough water to supply the actual necessities of the city, and they hauled water there by rail.

Mr. FREAR. Is not that a case like the Kissimmee River in Florida, where it ought to be insured against fire?

Mr. CALLAWAY. Yes; and if this were the only proposition, it would not be so bad. In 1902 they started on the present Trinity River project. It must be a great deal better project than the Pedee and Lumber Rivers, for they have just started on the Pedee and the Lumber Rivers; and it must be better than Matawan Creek, in New Jersey, on which they appropriate \$137,000 for the purpose of deepening a canal for 2 miles, because they have just started on Matawan Creek; and it must be away yonder better than the Kissimmee Creek in Florida. I take it that the Trinity River is a very good proposition, looked at from the standpoint of the engineers. They started on this project in 1902. They estimated that the entire project would cost \$4,000,000, and up to this time they have expended \$2,229,142.93. The original estimate by these scientific engineers, who are supposed to make no mistakes, was that it would cost \$4,000,000 to complete the project. They have worked on it since 1902—12 years—and now they say it will take 100 to 130 per cent more than that, or practically \$10,000,000, to complete the project; and these scientific men say that the appropriations which have been made so far by Congress for the Trinity River "seem to indicate an intention to provide locks and dams." [Laughter.] They have expended \$2,000,000 so far. This year we have \$205,000 in the bill to continue that work which is going to take \$8,000,000 to complete—\$200,000 a year. How long will it take to complete that project? Why, it will take 41 years longer, according to the way this committee is proceeding, according to the way these engineers are proceeding; and they have already been working on it for 12 years. That makes 53 years from the time they started; and they are going to expend two and a half times as much as the original estimate. My friend from Dallas does not certainly expect to navigate the Trinity River. He may have some children who will navigate it, but, according to the showing made by these engineers, at the present rate of progress this gentleman who is now in Congress getting these appropriations, and every other Member of Congress interested in the Trinity River, will be gathered to his fathers before the first boat goes up the river. They say "no commerce can go on it until it is completely canalized."

That is from the remarks of the Congressman from Texas made in the House of Representatives during this session, and I thought proper to put it against the statement of the Senator from Texas [Mr. CULBERSON] quoting the statement of the Senator from Ohio.

Mr. BURTON. Mr. President, there is one thing about this project. It is neither pleasant nor necessary for the Senate to incur the storm of ridicule that has come from civil engineers and other persons in the country regarding such an improvement. I deserve my share of it. I made a mistake. A report was made to us that perhaps never was surpassed in its recommendation of the advantages of the improvement. We relied upon it, but in doing so we relied upon information that was inaccurate. We relied upon generalizations that were wrong. The report was filled with the usual material that you find in every argument for waterway improvement, a comparison of railway rates at points where there is competition between rail and water and those in the interior. In this case we should wait at least until we have the report now in course of preparation, and which really was long since due, before we put any more money into this project.

One of the worst features of the Trinity River project lies in scattering dams here and there. Instead of beginning at one point and finishing the improvement consecutively, in a business-like way, they have been located here, there, and elsewhere, apparently to gratify the desire of Congressmen who wished something for their respective districts. The estimate of \$4,550,000 for the completion of this whole system, made in 1900, or at the time this report was made, involved 37 dams. It is perfectly evident that that is but a mere fraction of the total ultimate cost. One estimate is that it will cost 100 to 130 per cent more than the amount which was suggested at that time, which would make approximately \$10,000,000 for the whole work.

Mr. President, does Congress want to appropriate \$10,000,000 on any such proposition as that? Let me ask you to remember what used to be said about the Illinois and Mississippi Canal, the Hennepin Canal, and how it would revolutionize traffic. It had support far beyond this. There was no dissenting note, as there is here, until it was well advanced. I am perhaps exaggerating in saying there was no dissenting note. There were some who questioned it, but the Government went on and spent about \$7,000,000; and after we had spent \$7,000,000 and it required about a million to complete it, the Rivers and Harbors



Committee of the House considered seriously whether they would not abandon the whole scheme rather than spend that extra million dollars. I say to the Senate with the utmost confidence that that project promised infinitely more than either the Trinity or the Brazos River.

Is it not time to stop, at least until the engineers can bring in their report as to the quantity of water in the stream and as to the probable expense of completion—until we can displace this report, which under present conditions would not be accepted as a basis for an appropriation of \$15,000?

Mr. GALLINGER. Mr. President, will the Senator permit me? As a Member of the other House I recall very vividly the oratory that was expended in favor of the Hennepin Canal. It was very lurid and in some respects so convincing that I voted for that appropriation. There is one thing to be said about the Hennepin Canal as compared with the Trinity River: The Hennepin Canal has water, because I saw it. There is actually water there, and there was a motor boat on it. But the expenditure of \$8,000,000 was a wasteful and profligate use of the public funds, as I feel sure any further appropriation for Trinity River will be equally wasteful and profligate.

I think, Mr. President, that I have some figures to show that according to the present plan the improvement of Trinity River is going to cost \$15,000,000.

Mr. BURTON. Nobody knows what it will cost. It may be \$20,000,000.

Mr. GALLINGER. I think I will be able to show that a little later on.

Mr. BURTON. As I say, it may cost \$20,000,000. Then there is the enormous expense of maintenance when it is finished.

Mr. CULBERSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Texas?

Mr. BURTON. Certainly.

Mr. CULBERSON. I ask the Senator from Ohio if it is not a fact that Col. Riché, the engineer officer who originally made this report in 1901, appeared last year before a subcommittee of the Committee on Commerce of the Senate, of which the Senator was a member, and reiterated his statement that his original estimate of the cost of the Trinity River improvement was the correct estimate, and he produced a letter that he wrote to the Chief of Engineers offering to do the work upon the original estimate of \$4,650,000?

Mr. BURTON. That may be.

Mr. CULBERSON. Is not that a fact, and did not the Senator cross-examine him? I mention that to refresh his recollection.

Mr. BURTON. I have that hearing somewhere.

Mr. CULBERSON. I have it before me.

Mr. BURTON. He may have made the statement that he could finish it for that sum, but Col. Riché is not a contractor. It was pointed out at that hearing, as I recall it, that he had made some grave errors in his computations. This bill does not contain any provision that the work shall be done by Col. Riché or as a result of his offer to the Government. It is being prosecuted in the usual way under the control of the Engineer Corps, and with the fact staring us in the face that the expense for some locks and dams has been twice what Col. Riché estimated it would be. That is one of the side issues that can occasionally be raised; but does anyone think seriously of changing our system of prosecuting river and harbor work? Because an engineer, the inaccuracy of whose estimates is admitted, who knows that his offer will not be accepted, says that he personally can do the work for an amount clearly impossible, are we thus to change our policy or depart from a rational consideration of this matter?

I think very highly of Col. Riché; I have known him in other connections to do most excellent work; but he incurred criticism from the Chief of Engineers and from others of the Engineer Corps for his estimates and opinions on this river. If the Senator from Texas will refer to the hearing which he has in mind—I remember the substance of it—there was some friction between Col. Riché and other members of the Engineer Corps at that meeting, especially between Col. Riché and Col. Taylor.

In what position would the Senate and Congress be placed if there were doubt in regard to an improvement, whether it would cost ten or twelve million dollars, and somebody should come here and say, "I will do it for \$4,550,000"? Think of the questions that would arise. They would naturally be: "What is your standard of work? Are you going to build this of cut stone or of rubble stone? Are you going to put in sand or gravel? Do you expect to live up to the specifications of the engineers? In brief, do you intend to do hasty, superficial work, or are you going to do careful and thorough work?" Such a proposition is not worthy of serious consideration. Congress

would not think for a minute of adopting an improvement and then turning it over to some man who says he can complete it for a certain figure. It would be compelling the Engineer Corps to abdicate its functions; it would be creating a new and unheard-of standard in the performance of public works, and it would involve an examination into the financial stability of the persons having the work in charge.

THE PRESIDENT'S ADDRESS—EMERGENCY REVENUE LEGISLATION (H. DOC. NO. 1157).

The VICE PRESIDENT (at 12 o'clock and 25 minutes p. m.). On yesterday the Senate concurred in a resolution of the House of Representatives providing that at the hour of 12.30 o'clock on Friday, the 4th day of September, 1914, the Senate would proceed to the Hall of the House of Representatives, there to receive any communication which the President of the United States might be pleased to make to the joint Houses of Congress. The Sergeant at Arms will carry out the instructions of the Senate.

Thereupon the Senate, preceded by the Vice President and its Secretary and headed by the Sergeant at Arms, proceeded to the Hall of the House of Representatives.

The Senate returned to its Chamber at 12 o'clock and 45 minutes p. m.

The address of the President of the United States this day delivered to both Houses of Congress is as follows:

The PRESIDENT. Gentlemen of the Congress, I come to you to-day to discharge a duty which I wish with all my heart I might have been spared; but it is a duty which is very clear, and, therefore, I perform it without hesitation or apology. I come to ask very earnestly that additional revenue be provided for the Government.

During the month of August there was, as compared with the corresponding month of last year, a falling off of \$10,629,538 in the revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions. I need not tell you to what this falling off is due. It is due in chief part not to the reductions recently made in the customs duties, but to the great decrease in importations, and that is due to the extraordinary extent of the industrial area affected by the present war in Europe. Conditions have arisen which no man foresaw; they affect the whole world of commerce and economic production, and they must be faced and dealt with.

It would be very unwise to postpone dealing with them. Delay in such a matter and in the particular circumstances in which we now find ourselves as a nation might involve consequences of the most embarrassing and deplorable sort, for which I, for one, would not care to be responsible. It would be very dangerous in the present circumstances to create a moment's doubt as to the strength and sufficiency of the Treasury of the United States, its ability to assist, to steady, and sustain the financial operations of the country's business. If the Treasury is known, or even thought, to be weak, where will be our peace of mind? The whole industrial activity of the country would be chilled and demoralized. Just now the peculiarly difficult financial problems of the moment are being successfully dealt with, with great self-possession and good sense and very sound judgment, but they are only in process of being worked out. If the process of solution is to be completed, no one must be given reason to doubt the solidity and adequacy of the Treasury of the Government which stands behind the whole method by which our difficulties are being met and handled.

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately \$75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits. And yet without additional revenue that plainly might become necessary, and the time when it became necessary could not be controlled or determined by the convenience of the business of the country. It would have to be determined by the operations and necessities of the Treasury itself. Such risks are not necessary and ought not to be run. We can not too scrupulously or carefully safeguard a financial situation which is at best, while war continues in Europe, difficult and abnormal. Hesitation and delay are the worst forms of bad policy under such conditions.



And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people. To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. The country is able to pay any just and reasonable taxes without distress. And to every other form of borrowing, whether for long periods or for short, there is the same objection. These are not the circumstances, this is at this particular moment and in this particular exigency not the market, to borrow large sums of money. What we are seeking is to ease and assist every financial transaction, not to add a single additional embarrassment to the situation. The people of this country are both intelligent and profoundly patriotic. They are ready to meet the present conditions in the right way and to support the Government with generous self-denial. They know and understand, and will be intolerant only of those who dodge responsibility or are not frank with them.

The occasion is not of our own making. We had no part in making it. But it is here. It affects us as directly and palpably almost as if we were participants in the circumstances which gave rise to it. We must accept the inevitable with calm judgment and unruffled spirits, like men accustomed to deal with the unexpected, habituated to take care of themselves, masters of their own affairs and their own fortunes. We shall pay the bill, though we did not deliberately incur it.

In order to meet every demand upon the Treasury without delay or peradventure, and in order to keep the Treasury strong, unquestionably strong, and strong throughout the present anxieties, I respectfully urge that an additional revenue of \$100,000,000 be raised through internal taxes devised in your wisdom to meet the emergency. The only suggestion I take the liberty of making is that such sources of revenue be chosen as will begin to yield at once and yield with a certain and constant flow.

I can not close without expressing the confidence with which I approach a Congress, with regard to this or any other matter, which has shown so untiring a devotion to public duty, which has responded to the needs of the Nation throughout a long season despite inevitable fatigue and personal sacrifice, and so large a proportion of whose Members have devoted their whole time and energy to the business of the country.

#### RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. BURTON. I desire now to take up the Brazos River, another river in Texas, somewhat different from the Trinity and having a larger flow of water, but draining a country perhaps not quite so fertile. The Senate has added the capsheaf to the absurdity of the provisions for this river by appropriating \$50,000 for two more locks and dams. One lock and dam was provided for in the bill of 1907. The estimated cost was \$225,000. Four hundred and thirteen thousand dollars has already been expended on it and it is not yet completed. The proposition is thus to scatter these appropriations, prolong the time of completion, and accommodate as many congressional districts as possible.

There is one lock and dam which I think might find some justification. That is the one at Hidalgo Falls, for which provision was made in the year 1907. The first proposition was to improve only the upper portion of this river, a distance of about 170 miles, in the thought that the lower 240 miles in its native condition would provide a channel sufficient for navigation. To be exact, the distance from the mouth to Old Washington, the lower portion, is 245 miles; from Old Washington to Waco, 170 miles. There was no navigation in 1907 above Hidalgo Falls, which is 260 miles from the mouth and 15 miles from the beginning of the upper section. The project is based on House Document 705, Fifty-ninth Congress, first session, with a view to a depth of 4 feet for four months and 3½ feet for six months by the construction of eight locks and dams and 103 miles of open-channel work, at a total estimated cost of \$2,915,000. The eight locks and dams were estimated to cost \$300,000 each, or \$2,400,000, and the open-channel work \$515,000, or a total of \$2,915,000, with an annual maintenance cost of \$101,800.

I do not know how many of these locks and dams have been partially provided for. We have been scattering the appropriations along in bill after bill, and now, after more than

seven years, not a single one of them is complete; and this in the face of the report of a board of engineers with reference to these eight dams which was quoted by Gen. Bixby in a hearing before the Committee on Commerce. The board was made up of Col. Lockwood, Col. Hoxie, Maj. Burr, Maj. Langfitt, and Capt. Kutz—a board of five men who stand very high in the Engineer Corps. They say:

The board believes that the expenditure of \$3,000,000 by the United States, with an annual outlay of \$100,000 for maintenance to provide a navigation of such small depth—

That is, 3½ and 4 feet—

and limited duration, and with such doubtful assurance of accomplishing the results desired, is an investment of such questionable wisdom as to make it inadvisable for the General Government to commence work upon this project, at least until the improvements of similar character now in progress on other streams and on the lower part of the Brazos shall have sufficiently advanced to demonstrate their advisability.

Gen. Bixby remarks that the district officer had reported favorably. The board of review confirmed the report of this special board. Gen. Mackenzie, then chief of engineers, however, gave a partial excuse for the appropriation, and I ask special attention to this, because it is characteristic of the opinion of the Corps of Engineers. I have often called attention to the fact that they waive their views on engineering problems and upon the desirability of improvements, in order that they may conform to the wish of Congress. Gen. Mackenzie said:

In submitting to Congress reports on preliminary examinations and surveys it is usual for the Chief of Engineers to add his view to those expressed by the officers reporting in the first instance and by the Board of Engineers for Rivers and Harbors as to the desirability of undertaking the improvement. In this case, however, since such expression of opinion by the Chief of Engineers is not distinctly called for in the law, and since the point has been made by the Members of Congress most interested in the work that the question of the advisability of the improvement has already been determined by Congress, I submit these reports without further comment.

That is, there was an adverse report by a board of five; there was an adverse report by the Board of Engineers; but the Chief of Engineers, without setting forth his opinion, said that certain Members of Congress claimed that the question had been already decided by Congress, and so he submitted the reports without comment. A consideration of the whole report shows a distinct disapproval of the project, and to those claiming there are no projects in this bill which are not approved by the Board of Engineers, I commend this one. Also, Gen. Mackenzie's language in transmitting the report is typical of the attitude of the engineers on numerous questions upon which they regard it as unnecessary or undesirable to express an opinion when the expressed wish of Congress is contrary to their judgment.

But, Mr. President, this is not the worst of this project. Col. Riché, to whom reference has been so often made because of his friendship for the Trinity River project, expressed his opinion in regard to this one. It is found on page 30 of a hearing before the Committee on Commerce held in February, 1913. He speaks of the work already done and of that for which a small amount is available. He was asked a question as to the lock at Hidalgo Falls, which it was estimated would cost \$225,000, and on which, by June 30, 1913, \$414,000 had been expended, and he says:

We have all the ironwork on the bank; it is all ready to go ahead there.

Senator BURTON. There are two others where appropriations of \$25,000 each have been made. What will it cost to finish each of those?

Col. RICHÉ. That I could not say, because I expect that there will be considerable change in the plan necessary. That is one reason why I have been compelled to delay on that until I could get a man to do that work.

Senator BURTON. Do you regard that the selection of eight dams is sufficient for that river from Waco down to Old Washington?

That is 170 miles above the 245.

Col. RICHÉ. Well, it is not sufficient, I should say, to completely canalize the stream.

Senator BURTON. How many additional dams should there have been?

Col. RICHÉ. About double. These are the alternate dams.

Senator BURTON. In regard to these no survey has been made?

Col. RICHÉ. Nothing except the original survey has been made.

Senator BURTON. What would be the average cost of those dams?

Col. RICHÉ. That is actually the question that I want to go into. My original estimate was \$190,000 apiece.

Senator BURTON. Does that estimate hold now?

Col. RICHÉ. Maj. Jadwin estimated \$300,000 apiece.

Only a trivial difference between \$190,000 and \$300,000. We must bear in mind on one of them \$414,000 has already been expended and it is unfinished.

Senator BURTON. You regard your present location of those dams as the result of sufficient examination to enable you to judge wisely?

Col. RICHÉ. You mean the precise location?

Senator BURTON. Yes.

Col. RICHÉ. No; that would require boring.

Senator BURTON. In regard to the eight dams under construction, your original report would have to be changed?

Col. RICHÉ. The matter was made the subject of a later report by Capt. Waldron.



Senator BURTON. Can you give the title of that? Is that a printed document?

Col. RICHE. Yes, sir; House Document No. 95, Sixty-second Congress, first session. He made a study of that and suggested certain locations, which he shows on his profile.

Senator BURTON. In your original report, did you report that eight dams would be sufficient for the canalization?

Col. RICHE. No, sir. I do not remember now how many I reported. I think it was 18 in that section of the river. I am just speaking from memory, however. I have it here somewhere.

Senator BURTON. From Old Washington down no dams are required?

Col. RICHE. Well, the idea was to attempt that by open-channel work first.

Senator BURTON. And locks and dams might ultimately be required there?

Col. RICHE. Yes, sir.

Senator BURTON. Would they probably be required?

Col. RICHE. For continuous navigation; yes, sir.

Senator BURTON. How many would be required in the section below Old Washington?

Col. RICHE. My recollection is 12, but I can verify that in a moment. [After referring to figures.] Twelve; I was correct. That makes 30.

The very engineer who made the survey and the recommendation for 8 locks and dams now says that it will require 30. Year after year the request has been made that there be a survey of this river, but the influences in favor of these dams have been so strong that it has been prevented. According to the original plan there was to be a depth of only  $4\frac{1}{2}$  feet, and for a part of the year even less than that. Mr. President, this country is already too amply supplied with transportation facilities to make a canalized river with only 4 or  $4\frac{1}{2}$  feet of any substantial benefit.

So here there are at least 30 dams that it will be necessary to complete, one of them unfinished after an expenditure of \$414,000, with the probable expense in view of ten or twelve million dollars; and yet we are appropriating \$25,000 for a dam here and another dam there, with no obvious purpose except to commit the Government of the United States to this improvement.

Mr. President, I insist that the course to pursue is to cease making appropriations for this project, then to make a re-examination and survey of this river, to judge of it under present conditions; ascertain whether canalization will do any good or not, and when the report is in—whether it costs \$12,000,000 or \$14,000,000, and it is evident that it will cost as much as \$12,000,000—then is the time for us to take up and deliberately discuss the question. I have no faith that the canalization of this river will provide freight of a value equivalent to the annual cost of maintenance.

Mr. President, it is amazing that we should make appropriations in this manner, without any basis on which to proceed. The only report made here was called a reconnaissance, only a few hundred dollars being expended on it, and the engineer came before the committee and admitted that he had not fixed a definite location for these dams. He would have been compelled to admit also that he had no knowledge as to where material could be obtained, and that he was utterly without information as regards borings and foundations.

Mr. President, this item ought to be wiped out of the bill. One dam there is nearly completed. To prevent the appearance of abandoning what we have commenced and prosecuted with such care we must finish it, I suppose, although even that will be a waste. I assume my share of the blame for having commenced this one dam. It was represented that there were falls there in the midst of the river and two-thirds of the way up to Waco, the principal point, and this would make navigable, during certain seasons of the year, the whole river from Waco down to the mouth, a distance of 415 miles. I now have no confidence that such will be the case. I have no idea that there will be a single ton of freight carried from Waco to Velasco, the mouth, because of the construction of that dam. That is the fact, and I suppose it is for us to finish the locks and go through the solemn farce of maintaining lock keepers and a force of men at this locality to wait and see—"watchful waiting." The Senator from Colorado [Mr. THOMAS] suggests wakeful watching. That is a better expression, in this case.

Will the Senate pass this bill with that item in it? Senator NELSON asked a question of Col. Riche in regard to a couple of dams that had already been provided. I can turn to the exact point. It is on page 29. Congress had made one of these small appropriations of, say, \$25,000 apiece for a couple of dams.

While we are here on the Brazos River case—

Asked the chairman, Senator NELSON—

While we are here on the Brazos River case, last year we appropriated \$25,000 each for two new dams, did we not?

Col. RICHE. Yes, sir.

The CHAIRMAN. And nothing has been done under that appropriation.

Col. RICHE. I have been unable to reach that matter.

The CHAIRMAN. Nothing whatever has been done under this appropriation. Now, this bill provides for two additional dams, so that

you will have, if this becomes a law, four dams in the air, with \$25,000 appropriated for each dam. Isn't that so?

Col. RICHE. I do not know what the present law is. That will be true if it does pass.

The CHAIRMAN. This provides for two additional locks and dams, at the same amount as last year—\$50,000 for the two.

Col. RICHE. Yes, sir. The location of two dams is now pending.

The CHAIRMAN. Now, there are two other dams. Last year the appropriation bill contained an additional provision for two additional dams, with an appropriation of \$25,000 for each. Now, there has been nothing done under that appropriation?

Col. RICHE. No, sir.

The CHAIRMAN. This bill provides for another two dams at \$25,000 each. If that goes through in that shape, you would have then provision for four dams, with \$25,000 for each dam, and all in the air—Isn't that true?

Now, then, let us examine what there is in this bill. Notice the Senate committee amendment on page 44 of the river and harbor bill, as reported to the Senate:

Improving Brazos River, Tex.: Continuing improvement from Old Washington to Waco by the construction of locks and dams heretofore authorized, \$200,000.

Two hundred thousand dollars is passed by the House. Now, I add the additional Senate committee amendment increasing the appropriation:

And commencing the construction of two additional locks and dams, \$250,000.

There were four in the air, as Senator NELSON expressed it, when the last bill passed; and now we have six, each with \$25,000 appropriated for, not enough to begin the simplest portion of the construction of those locks and dams.

Mr. President, I do not believe the Senate knows of these things. I do not believe there is any realization of the utterly unbusinesslike and absurd policy that we are pursuing here. Independent of the lack of merit in the project.

I understand the Senator from Nevada [Mr. NEWLANDS] desires to present some matter. I yield for that purpose. I do not understand that he asks that the time of the Senate be taken up in disposing of it.

Mr. NEWLANDS. I desire to present a unanimous report of the conference committee on the trade commission bill.

Mr. BURTON. May I ask the Senator if he expects to take it up and dispose of it this afternoon?

Mr. NEWLANDS. No.

FEDERAL TRADE COMMISSION (S. DOC. NO. 573).

Mr. NEWLANDS. I present the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15613) to create a Federal trade commission, to define its powers and duties, and for other purposes. I ask to have the conference report printed in the Record, and also to have the bill printed as a document in three parallel columns, showing the bill as passed by the House, the bill as passed by the Senate, and the bill as agreed to in conference.

The PRESIDING OFFICER (Mr. McCUMBER in the chair). Without objection, it will be so ordered.

Mr. SMOOT. Mr. President, I recognize the fact that we pay very little attention to our rules any more. There was a Senator on the floor of the Senate speaking, and under the rules business of this kind can not be presented. I want to say that I shall not object to the reception of the report, but—

The PRESIDING OFFICER. The Chair will state to the Senator from Utah that a conference report is in order at any time, and that the Senator from Ohio yielded that the conference report might be received.

Mr. SMOOT. I was speaking of business generally. It was done all day yesterday and I suppose it will be continued here to-day. As I said, the Senator from Nevada has asked unanimous consent, and I have no objection to the report being received, as it will take no time.

The PRESIDING OFFICER. Does the Senator from Nevada desire to have the conference report read?

Mr. NEWLANDS. No; I simply desire to have it printed in the Record.

The PRESIDING OFFICER. It will be so ordered.

Mr. KENYON. I should like to inquire if this is a conference report on the trade commission bill?

Mr. NEWLANDS. Yes; and it is a unanimous report, I will say.

Mr. KENYON. When is it to be taken up and disposed of?

Mr. NEWLANDS. I can not say, but at the earliest moment.

Mr. BURTON. Not to-day.

The PRESIDING OFFICER. The Chair will ask the Senator from Nevada whether it is his desire to have the Senate bill and the conferees' bill as reported printed in separate columns?

Mr. NEWLANDS. Yes; in parallel columns.

The PRESIDING OFFICER. The Senator stated the House bill, but the Chair supposed that he meant the conferees' bill.



Mr. NEWLANDS. I desire a comparative print of the bill, showing the bill as passed by the House, the bill as passed by the Senate, and the bill as agreed to in conference.

The PRESIDING OFFICER. It will be so ordered.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two House on the amendments of the Senate to the bill (H. R. 15613) to create an interstate-trade commission, to define its powers and duties, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"That a commission is hereby created and established, to be known as the Federal trade commission (hereinafter referred to as the commission), which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three of the commissioners shall be members of the same political party. The first commissioners appointed shall continue in office for terms of three, four, five, six, and seven years, respectively, from the date of the taking effect of this act, the term of each to be designated by the President, but their successors shall be appointed for terms of seven years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. The commission shall choose a chairman from its own membership. No commissioner shall engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission.

"The commission shall have an official seal, which shall be judicially noticed.

"SEC. 2. That each commissioner shall receive a salary of \$10,000 a year, payable in the same manner as the salaries of the judges of the courts of the United States. The commission shall appoint a secretary, who shall receive a salary of \$5,000 a year, payable in like manner, and it shall have authority to employ and fix the compensation of such attorneys, special experts, examiners, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress.

"With the exception of the secretary, a clerk to each commissioner, the attorneys, and such special experts and examiners as the commission may from time to time find necessary for the conduct of its work, all employees of the commission shall be a part of the classified civil service, and shall enter the service under such rules and regulations as may be prescribed by the commission and by the Civil Service Commission.

"All of the expenses of the commission, including all necessary expenses for transportation incurred by the commissioners or by their employees under their orders, in making any investigation, or upon official business in any other places than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the commission.

"Until otherwise provided by law, the commission may rent suitable offices for its use.

"The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the commission.

"SEC. 3. That upon the organization of the commission and election of its chairman, the Bureau of Corporations and the offices of Commissioner and Deputy Commissioner of Corporations shall cease to exist; and all pending investigations and proceedings of the Bureau of Corporations shall be continued by the commission.

"All clerks and employees of the said bureau shall be transferred to and become clerks and employees of the commission at their present grades and salaries. All records, papers, and property of the said bureau shall become records, papers, and property of the commission, and all unexpended funds and appropriations for the use and maintenance of the said bureau, including any allotment already made to it by the Secretary of Commerce from the contingent appropriation for the Department of Commerce for the fiscal year 1915, or from the departmental printing fund for the fiscal year 1915, shall become funds and appropriations available to be expended by the commission in the exercise of the powers, authority, and duties conferred on it by this act.

"The principal office of the commission shall be in the city of Washington, but it may meet and exercise all its powers at any other place. The commission may, by one or more of its members, or by such examiners as it may designate, prosecute any inquiry necessary to its duties in any part of the United States.

"SEC. 4. That the words defined in this section shall have the following meaning when found in this act, to wit:

"'Commerce' means commerce among the several States or with foreign nations, or in any Territory of the United States, or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

"'Corporation' means any company or association incorporated or unincorporated, which is organized to carry on business for profit and has shares of capital or capital stock, and any company or association, incorporated or unincorporated, without shares of capital or capital stock, except partnerships, which is organized to carry on business for its own profit or that of its members.

"'Documentary evidence' means all documents, papers, and correspondence in existence at and after the passage of this act.

"'Acts to regulate commerce' means the act entitled 'An act to regulate commerce,' approved February 14, 1887, and all acts amendatory thereof and supplementary thereto.

"'Antitrust acts' means the act entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,' approved July 2, 1890; also the sections 73 to 77, inclusive, of an act entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' approved August 27, 1894; and also the act entitled 'An act to amend sections 73 and 76 of the act of August 27, 1894, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' approved February 12, 1913.

"SEC. 5. That unfair methods of competition in commerce are hereby declared unlawful.

"The commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks, and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

"Whenever the commission shall have reason to believe that any such person, partnership, or corporation has been or is using any unfair method of competition in commerce, and if it shall appear to the commission that a proceeding by it in respect thereof would be to the interest of the public, it shall issue and serve upon such person, partnership, or corporation a complaint stating its charges in that respect, and containing a notice of a hearing upon a day and at a place therein fixed at least 30 days after the service of said complaint. The person, partnership, or corporation so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission requiring such person, partnership, or corporation to cease and desist from the violation of the law so charged in said complaint. Any person, partnership, or corporation may make application, and upon good cause shown may be allowed by the commission to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission. If upon such hearing the commission shall be of the opinion that the method of competition in question is prohibited by this act, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person, partnership, or corporation an order requiring such person, partnership, or corporation to cease and desist from using such method of competition. Until a transcript of the record in such hearing shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

"If such person, partnership, or corporation fails or neglects to obey such order of the commission while the same is in effect, the commission may apply to the circuit court of appeals of the United States, within any circuit where the method of competition in question was used or where such person, partnership, or corporation resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the commission. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person, partnership, or corporation and thereupon shall have jurisdiction of



the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission. The findings of the commission as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken; and it shall file such modified or new findings, which, if supported by testimony, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 240 of the Judicial Code.

"Any party required by such order of the commission to cease and desist from using such method of competition may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission be set aside. A copy of such petition shall be forthwith served upon the commission, and thereupon the commission forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission as in the case of an application by the commission for the enforcement of its order, and the findings of the commission as to the facts, if supported by testimony, shall in like manner be conclusive.

"The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission shall be exclusive.

"Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or the judgment of the court to enforce the same shall in any wise relieve or absolve any person, partnership, or corporation from any liability under the antitrust acts.

"Complaints, orders, and other processes of the commission under this section may be served by anyone duly authorized by the commission, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person, partnership, or corporation; or (c) by registering and mailing a copy thereof addressed to such person, partnership, or corporation at his or its principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same.

"Sec. 6. That the commission shall also have power—

"(a) To gather and compile information concerning and to investigate from time to time the organization, business, conduct, practices, and management of any corporation engaged in commerce, excepting banks and common carriers subject to the act to regulate commerce, and its relation to other corporations and to individuals, associations, and partnerships.

"(b) To require, by general or special orders, corporations engaged in commerce, excepting banks, and common carriers subject to the act to regulate commerce, or any class of them, or any of them, respectively, to file with the commission in such form as the commission may prescribe annual or special, or both annual and special, reports or answers in writing to specific questions, furnishing to the commission such information as it may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective corporations filing such reports or answers in writing. Such reports and answers shall be made under oath, or otherwise, as the commission may prescribe, and shall be filed with the commission within such reasonable period as the commission may prescribe, unless additional time be granted in any case by the commission.

"(c) Wherever a final decree has been entered against any defendant corporation in any suit brought by the United States to prevent and restrain any violation of the antitrust acts, to

make investigation, upon its own initiative, of the manner in which the decree has been or is being carried out, and upon the application of the Attorney General it shall be its duty to make such investigation. It shall transmit to the Attorney General a report embodying its findings and recommendations as a result of any such investigation, and the report shall be made public in the discretion of the commission.

"(d) Upon the direction of the President or either House of Congress to investigate and report the facts relating to any alleged violations of the antitrust acts by any corporation.

"(e) Upon the application of the Attorney General to investigate and make recommendations for the readjustment of the business of any corporation alleged to be violating the antitrust acts in order that the corporation may thereafter maintain its organization, management, and conduct of business in accordance with law.

"(f) To make public from time to time such portions of the information obtained by it hereunder, except trade secrets and names of customers, as it shall deem expedient in the public interest; and to make annual and special reports to the Congress and to submit therewith recommendations for additional legislation; and to provide for the publication of its reports and decisions in such form and manner as may be best adapted for public information and use.

"(g) From time to time to classify corporations and to make rules and regulations for the purpose of carrying out the provisions of this act.

"(h) To investigate, from time to time, trade conditions in and with foreign countries where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, and to report to Congress thereon, with such recommendations as it deems advisable.

"Sec. 7. That in any suit in equity brought by or under the direction of the Attorney General as provided in the antitrust acts, the court may, upon the conclusion of the testimony therein, if it shall be then of opinion that the complainant is entitled to relief, refer said suit to the commission, as a master in chancery, to ascertain and report an appropriate form of decree therein. The commission shall proceed upon such notice to the parties and under such rules of procedure as the court may prescribe, and upon the coming in of such report such exceptions may be filed and such proceedings had in relation thereto as upon the report of a master in other equity causes, but the court may adopt or reject such report, in whole or in part, and enter such decree as the nature of the case may in its judgment require.

"Sec. 8. That the several departments and bureaus of the Government when directed by the President shall furnish the commission, upon its request, all records, papers, and information in their possession relating to any corporation subject to any of the provisions of this act, and shall detail from time to time such officials and employees to the commission as he may direct.

"Sec. 9. That for the purposes of this act the commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the commission may sign subpoenas, and members and examiners of the commission may administer oaths and affirmations, examine witnesses, and receive evidence.

"Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpoena the commission may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence.

"Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"Upon the application of the Attorney General of the United States, at the request of the commission, the district courts of the United States shall have jurisdiction to issue writs of man-

damus commanding any person or corporation to comply with the provisions of this act or any order of the commission made in pursuance thereof.

"The commission may order testimony to be taken by deposition in any proceeding or investigation pending under this act at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the commission as hereinbefore provided.

"Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"No person shall be excused from attending and testifying or from producing documentary evidence before the commission or in obedience to the subpoena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the commission in obedience to a subpoena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

"SEC. 10. That any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce documentary evidence, if in his power to do so, in obedience to the subpoena or lawful requirement of the commission, shall be guilty of an offense and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than \$1,000 nor more than \$5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

"Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall willfully neglect or fail to make, or to cause to be made, full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of such corporation, or who shall willfully remove out of the jurisdiction of the United States, or willfully mutilate, alter, or by any other means falsify any documentary evidence of such corporation, or who shall willfully refuse to submit to the commission or to any of its authorized agents, for the purpose of inspection and taking copies, any documentary evidence of such corporation in his possession or within his control, shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

"If any corporation required by this act to file any annual or special report shall fail so to do within the time fixed by the commission for filing the same, and such failure shall continue for 30 days after notice of such default, the corporation shall forfeit to the United States the sum of \$100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of forfeitures. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States.

"Any officer or employee of the commission who shall make public any information obtained by the commission without its authority, unless directed by a court, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding \$5,000, or by imprisonment not exceeding one year, or by fine and imprisonment, in the discretion of the court.

"SEC. 11. Nothing contained in this act shall be construed to prevent or interfere with the enforcement of the provisions of

the antitrust acts or the acts to regulate commerce, nor shall anything contained in the act be construed to alter, modify, or repeal the said antitrust acts or the acts to regulate commerce or any part or parts thereof."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

FRANCIS G. NEWLANDS,  
ATLEE POMERENE,  
WILLIAM SAULSBURY,  
MOSES E. CLAPP,  
ALBERT B. CUMMINS,

*Managers on the part of the Senate.*

W. C. ADAMSON,  
THELUS W. SIMS,  
J. HARRY COVINGTON,  
F. C. STEVENS,  
JOHN J. ESCH.

*Managers on the part of the House.*

JOHN WORSLEY AND FRED WORSLEY.

Mr. SHAFROTH. I desire to submit a report.

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Colorado?

Mr. BURTON. What is the request?

Mr. SHAFROTH. It is simply a report from the Committee to Audit and Control the Contingent Expenses of the Senate on a resolution allowing the funeral expenses of one of the employees of the Senate. It does not generally take any time to dispose of such a resolution.

Mr. BURTON. I do not like these constant interruptions. It seems to me we ought to have an adjournment and transact routine business in the usual way, but it is pretty difficult to object to a proposition of this kind.

Mr. SHAFROTH. These are poor people, and of course they ought to be paid.

Mr. SMOOT. I think, of course, the funeral expenses in this case ought to be paid, but the resolution should be reported in regular order, and then it ought to go on the calendar. It should be presented at a time when we have morning business and not when a Senator is speaking. It is not for a Senator to call the attention of the Chair to it. The rule states that the Chair shall enforce it without his attention being called to it.

Mr. SHAFROTH. The difficulty has been that we have not had any time to present such matters. We have been taking recesses continually, and that cuts off this order and makes it out-of-order business.

The PRESIDING OFFICER. Is there objection to receiving the report? The Chair hears none.

Mr. SHAFROTH, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 449, submitted by Mr. OVERMAN on the 2d instant, reported it favorably without amendment, and it was considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, out of the contingent fund of the Senate, to John Worsley and Fred Worsley, only surviving children of John B. Worsley, late a laborer in the folding room of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as in lieu of funeral expenses and other allowance.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the amendments of the Senate to the bill (H. R. 2167) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 15857) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. WEBB, Mr. CARLIN, Mr. FLOYD of Arkansas, Mr. VOLSTEAD, and Mr. NELSON managers at the conference on the part of the House.

#### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

H. R. 2167. An act to fix the time for holding the term of the district court in the Jonesboro division of the eastern district of Arkansas;



H. R. 17442. An act to amend section 103 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the acts of Congress approved March 3, 1913, and June 6, 1914;

S. J. Res. 151. Joint resolution authorizing the President to accept an invitation to participate in an international exposition of sea fishery industries; and

H. J. Res. 330. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved April 24, 1914.

#### PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CULBERSON. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Vice President appointed Mr. CULBERSON, Mr. OVERMAN, Mr. CHILTON, Mr. CLARK of Wyoming, and Mr. NELSON conferees on the part of the Senate.

#### RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. BURTON. Mr. President, I now desire to take up another project in this bill, though in my remarks I am by no means including all that seem to me objectionable.

The Members of the Senate have just listened to a most impressive message from the President of the United States, in which he has set forth the necessity for additional taxation. There was never a time in the history of this Government or any other government when taxes could be imposed without a burden on the people, and contemporaneously with our consideration of these levies, which must be paid by a new class of taxpayers and imposed upon a new class of commodities and objects, is a most appropriate season to scrutinize the appropriation.

Do you wish to economize? This bill here affords the opportunity of economizing to the extent, I believe, of \$20,000,000, and involves an ultimate saving of \$50,000,000 to \$100,000,000 in the expenses which are involved in the appropriations in the bill. What will this Congress do? Will it pass this bill, with all its imperfections, with all these objectionable provisions, and in the same breath pass laws to impose taxes on the people? Is that to be done?

Mr. NEWLANDS. Mr. President—

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). Does the Senator from Ohio yield to the Senator from Nevada?

Mr. BURTON. I yield to the Senator from Nevada.

Mr. NEWLANDS. I understood the Senator to say that about \$20,000,000 could be safely stricken out of the bill. May I ask whether that \$20,000,000 would involve the failure of appropriations on work already authorized?

Mr. BURTON. To some extent.

Mr. NEWLANDS. Would the Senator state how much of it in his judgment has already been authorized?

Mr. BURTON. The question is a complicated one. There are projects already authorized which should be stopped entirely; but they have very large balances on hand. I shall speak of one in a few moments. There are others upon which work might be postponed; others still that are now in this bill and not yet commenced and which should not be commenced.

Mr. NEWLANDS. Not yet inaugurated?

Mr. BURTON. Not yet inaugurated.

Mr. NEWLANDS. Can the Senator tell me how much of the \$20,000,000 to which he refers is covered by projects that have not yet been inaugurated?

Mr. BURTON. I should say a fourth.

Mr. NEWLANDS. A fourth.

Mr. BURTON. I shall try, if possible, before I get through to give more exact figures.

Mr. NEWLANDS. Of the remaining \$15,000,000 of projects, what proportion are under contracts for continuation?

Mr. BURTON. Of course that may be—

Mr. NEWLANDS. And for what proportion are contracts not entered into as yet?

Mr. BURTON. If they have been entered into, of course the work could not be stopped, because the Government is obligated by contract, though of course it might buy off the contractors, paying them a premium. But that would be a very unusual thing to do.

Mr. NEWLANDS. The Senator's estimates do not cover any project for which continuous work has been contracted?

Mr. BURTON. If absolute contracts are in existence, no, it does not. Indeed, I regret that that is impractical, however objectionable an improvement might be. If the contract has been made for it we are committed to it. I want to say, Mr. President, in addition, it is not so much the amount, after all, as it is the quality of some of these improvements. The expenditure of money for them, if they were known and dwelt upon, would expose any legislative body to ridicule.

This case that I have just referred to and its unbusinesslike quality is one of the very worst. While the amount saved is not so great—that is, the immediate amount in this bill is not so great—the manner in which we are conducting this particular public work of the Government is ridiculous beyond measure.

Mr. KENYON. Mr. President—

Mr. BURTON. I yield to the Senator from Iowa.

Mr. KENYON. At the time of the interruption by the Senator from Nevada [Mr. NEWLANDS] the Senator from Ohio was discussing the proposition that we should economize. I think he used that term, much understood and seldom followed. Did the Senator, in reference to the President and the measure, really mean that we had any direction to economize?

Mr. BURTON. I did not hear the message. I should have anticipated that there would have been some words of caution on that subject. I have no doubt that that is the disposition of the President.

Mr. KENYON. The President advised us as follows:

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation.

And further he said:

And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people.

The President through oversight, which I assume it must have been, neglected to say that we must economize. So I think the Senator from Ohio is going a long way to claim now that the Senate ought to economize in view of this message of the President in which no such instructions are given. Of course the Senator from Ohio, with reference to economizing, may have had in mind the Democratic platform. While the President now advocates additional taxation, an additional burden upon the people to keep the Treasury in a sound condition, the Democratic platform, as the Senator knows, denounced the profligate waste of the money wrung from the people by an oppressive taxation.

I want to ask the Senator from Ohio if it is not a most remarkable thing which can not be accounted for merely by psychology that at a time when a bill is carrying some \$53,000,000 for rivers and harbors, and where the sundry civil bill has carried about \$6,000,000 and additional obligations under this bill that run it up in its obligations upon the Government close to a hundred million dollars, instead of asking Congress to economize, as they declared in their platform, the President of the United States, who is pledged to economy, merely says that we ought to resort to additional taxation?

I do not say this in any particular criticism of the President, I respect him so highly; and I have a belief and a hope that when this bill is finally passed, when the allies here are broken down by overpowering numbers, the President of the United States will veto this bill. But is it not remarkable that we are in a situation just now of levying a war tax upon the people of this country of \$1 practically per head, when if this river and harbor bill was not passed we would not need it?

I did not mean to take any particular time of the Senator, but in view of the Democratic platform as to economy I expected and hoped to hear from the President that while we ought not to borrow when revenues of the Government were decreasing the thing to do is to cut down expenses, just as when personal revenues are decreasing we cut down our own personal expenses. Does it not seem to the Senator from Ohio that a serious omission has been made in this address of the President?

Mr. BURTON. I have not read the message of the President and I did not have the pleasure of listening to it. I must say I should have expected some note of admonition upon the necessity of economy, especially in view of the present situation

when it is so probable that the average earnings and incomes of individuals will fall off. Possibly something may yet be found in the message which points in that direction, and if not I am inclined to think it was an inadvertence. For the President I have the very highest respect, and I feel sure that he recognizes this situation and is a foe to unnecessary or prodigal expenditures.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Colorado?

Mr. BURTON. I shall be glad to yield to the Senator from Colorado.

Mr. THOMAS. I am quite as anxious to see a program of economy entered upon in the Nation's affairs as any member of this body very well can be, I believe; but I confess that, with the exception of a few Members on this side and a few Members on that side of the Chamber, the general spirit seems to be in the other direction.

The Senator from Ohio [Mr. BURTON] has just called attention to the absence from the message to which we have just listened of any recommendation or suggestion of economy. I do not believe, Mr. President, that it is necessary or that from the standpoint of our own duty here it should be even expedient to receive an address upon so important a subject. The fact of the business is that this is not an economical Congress. I do not know that we have had one for a great many years, with the exception of perhaps half a dozen men on this side of the Chamber and upon the Republican side. I do not see any greater evidence of the desire to economize than is charged to the doors of the majority of the Members of the other side. I think we ought to be fair about this matter.

There are a number of Senators, regardless of party, who recognize the existence of a general condition which would suggest, and ought to suggest, a reduction of expenses everywhere; but the difficulty seems to be that no one man wants to begin at any particular point, preferring that the retrenchment should run along other lines.

Take this bill. I think the Senator from Iowa will concede that it is receiving quite as enthusiastic support on one side as upon the other side of the Chamber.

Mr. KENYON. I freely concede that.

Mr. THOMAS. And if the Republican Party, as a party, would set us the good example of economizing, irrespective of whether or not their platform has anything to say upon the subject, it might be an example which we would follow from necessity, if not from inclination.

Mr. KENYON. Mr. President, may I ask the Senator a question?

Mr. THOMAS. Certainly.

Mr. KENYON. It will have to be conceded by the Senator that the Republican Party, even if it acted as a unit in this Chamber, if there could be harmony among its members, would be absolutely powerless, because they are in a minority, and the program is laid out by a caucus which is held on the other side. That is the difference.

Mr. THOMAS. Numerically, Mr. President, that is true; but there is nothing so healthy as a good, vigorous, united opposition, no matter what the program of a majority in control of the Government may be.

This bill has been lauded as a nonpartisan one; it is a nonpartisan bill; it is one which, like charity, covers a multitude of subjects; and while economy ought to be practiced, I very much question whether a majority of this body on the Republican side, any more than a majority of this body on the Democratic side, is disposed to begin with this bill.

Mr. KENYON. Mr. President, I want to make this further observation: The Senator from Colorado will note the great interest that the discussion in a bill appropriating \$53,000,000 produces. There are at this time seven Democratic Senators in the Chamber and five Republicans.

Mr. THOMAS. Mr. President, I do not observe any distinction in the matter between this bill and any other bill. That seems to be the common practice of the Senate.

Mr. KENYON. Chronic.

Mr. THOMAS. I did not say that. I said it was the common practice; but I am willing to accept the amendment.

Mr. LEWIS. May I be permitted a suggestion?

Mr. THOMAS. It is the rule, and not the exception, when important matters are being discussed here for Senators either to take refuge in the cloakroom or to be absent from the floor. In saying that I claim no special virtue; I am just as guilty as any of my brethren.

Mr. LEWIS. May I be permitted to make a suggestion?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Illinois?

Mr. THOMAS. The Senator from Ohio [Mr. BURTON] has the floor.

Mr. BURTON. I shall be very glad to yield.

Mr. LEWIS. If I may be pardoned this interpolation, as one upon whom it is said the responsibility rests of keeping a quorum under certain conditions, I merely desire to call attention to the fact that the position taken by the able Senator from Iowa [Mr. KENYON], referred to by the distinguished Senator from Colorado [Mr. THOMAS], may be accounted for for a material reason. It is now, by the clock, half past 1 in the noonday. Therefore it is assumed that Senators are down refreshing their physical strength that they may add stronger mentality to the discussion.

Mr. THOMAS. Well, Mr. President, I do not notice any difference between mealtime and any other time in the matter of attendance upon the floor. As I said, absence from the Chamber is a common custom and habit. The Senator from Ohio [Mr. BURTON] is giving the Senate the benefit of a very long, extended, and exhaustive examination of a very important bill. Surely his presentation of the subject is entitled to receive the earnest consideration of everyone, those who are in sympathy with as well as those who are against the position which he has taken; but the Senator is not an exception to the rule by any means. It is the case with all of us. Hence I am sure that no disrespect is intended him.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. BURTON. I yield to the Senator from Utah.

Mr. SMOOT. I simply want to add one word to what the Senator from Colorado [Mr. THOMAS] has said, and that is this: Every morning the Senate meets at 11 o'clock. It generally requires from 10 to 25 minutes to secure the presence of a quorum. There is that much time lost every day. Day after day and week after week we begin the session when there are not a half dozen Senators present. I deplore the situation. I do not know that it will do any good to scold the Senate or call attention to it.

Mr. KENYON. Will not the Senator speak so that the three Senators on this side of the Chamber can hear him?

Mr. SMOOT. I do not know that it will do any good to scold the body or to call attention to the matter. It has been done so many times in the past, and has had no effect, that I have almost given up hope, as I have in relation to the Senate abiding by the rules of the body.

Mr. LEWIS. Mr. President, may I be pardoned a rejoinder? There is a great deal to be said in complete support of these condemnations, mildly uttered by the Senator from Colorado [Mr. THOMAS] and by the Senator from Utah [Mr. SMOOT]. I realize, possibly more than any other one man on this side of the Chamber, the many difficulties that have attended the matter of the attendance of Senators. We ought to put into the Record a thought just now that those who read the Record and read these animadversions might, in justice to both sides, keep in view, first, that in the morning the work in the departments must be attended to. Senators receive much mail and many demands they can not possibly escape; that messenger-boy service which undignifies the Senator, humiliating oftentimes in its pursuit, renders it almost impossible that he could address himself to more important matters, almost unfit him for the larger affairs of statesmanship or great matters, but nevertheless he is compelled to obey its summons or otherwise be condemned by his constituency for lack of industry and attention.

Again, the war in Europe has undoubtedly called for much attention on the part of Senators respecting constituents who have been abroad and in the last two weeks, to which the able Senator from Utah adverts, that has no doubt called for many Senators visiting the departments and being absent in the morning hour.

Mr. President, having made these observations as an excuse, I would like myself to be permitted, not in a scolding sense—I would not assume such liberty—to add, that I deprecate that through the country there is now being generally circulated the truth that there are great debates in this body, from able, learned, and efficient men, who, having spent hours in pursuing the subject, become qualified to discuss it, and yet the country must observe that we have voted upon these important measures "yea" or "nay," to the advantage or the disadvantage of the Nation, without having had any evidences of the value of the discussions, without knowing what they were, without information as to the contents of the measure or its terms, and with but little information as to its effect upon the country, all because we did not take lesson or information from those schooled, able, and competent.



I fear if this continues without some of the Senators of older service than myself and of more influence bringing it to the attention of the Senate constantly, we shall lose before the American Republic the respect which should attach to the decision of the Senate on any public question. There will go out the idea that our vote is commanded merely by party exigencies, without regard for the merits of the measure or of justice to the Nation. That is why I wish to add but my slight voice, in no sense of condemnation, but certainly in criticism of those unnecessary absences during the discussion of these important affairs in the Senate.

Mr. BURTON. If I may digress briefly from the course of my argument, I will say that I can not altogether agree with what has just been said in regard to the reason for absences from the Senate and the comparatively small number of Senators here. I remember that on coming to the Senate from the House, in the year 1909, I was very much impressed by the fact that the majority of all the Senators were here nearly all the time. It seemed to me there was a marked difference in that regard as compared with the other House. The House being a larger body, there being a larger degree of confusion, Members speaking less frequently and having less opportunity to speak, a larger proportion of its Members were absent. But a great difference has occurred in the Senate in that regard in the last five years. The average attendance is less. As one of the principal reasons for that condition we may, without any hesitancy, say that it is the long time during which Members of the Senate have been kept here, the weariness of almost constant sessions now for well on to two years, and the lengthy extra sessions beginning in 1909. It is almost impossible for a man to stay here with regularity without some degree of impairment of health after so long a strain.

I regret the scanty attendance at times, but I think it is traceable to causes that are easily understood. The immediate cause at this time, more marked than any other, is the listlessness which arises from weariness, due to a long period of labor here in this close and rather poorly ventilated Chamber.

I desire next, Mr. President, to give attention to the Missouri River, for which there is an appropriation of \$2,000,000 suggested in this bill. On the 30th of June last there was a balance on hand to the credit of that improvement of \$1,734,153, and after all the obligations are paid which must be met this year there will be a balance of \$852,451.

I have often spoken in opposition to this project before. Time, in a way, makes all things even, and I am sure when the years have gone by the folly of this improvement will be manifest to the whole country.

I do not deny that there is a certain benefit to abutting property in controlling the stream, in preventing inundations, and in the reclamation of property, but for navigation on that river—oh, it never will come. All that a person needs to know that it never will come is to look at the map, and see how it is paralleled by railroads everywhere, also crossed by them, and in its physical contour turns at a right angle, a feature which is always unfavorable for the navigable quality of any stream. From Kansas to the north the river is crossed by railroads every few miles; there is sharp competition between the two great centers of Chicago and St. Louis, and the traffic is sure to be diverted away from this river—diverted, I say—it has already left, and you never can bring it back.

There are some physical qualities of the stream, such as its extreme destructiveness, which makes itself felt by constant changes in channels, so that at one time a tract of land is on one side of the river and the next week, perhaps, is on another side, which deserve attention. The control of this problem may evoke the careful attention of the National Government, but it is, in the first instance, a local problem. Of the \$20,000,000 which it is contemplated to spend on this river, a very considerable share ought to be spent by abutting property. We shall never arrive at a just policy on that river until that course is pursued.

The traffic is made up, for the most part, of some hundreds of thousands of tons of sand, hauled a few miles, and a comparatively trivial quantity of freight put on boats, hauled from St. Louis to Kansas City.

A company was organized there some years ago by patriotic and enterprising citizens of Kansas City—and they are entitled to great credit for that—but that boat company has been used constantly as an argument why we should spend this enormous contemplated sum of \$20,000,000 on this stream. If the money is expended, there will be a repetition of what has happened again and again on this river and other rivers. As soon as the money is spent, the boats will disappear and navigation cease.

Mr. KENYON. Mr. President—

Mr. BURTON. I yield to the Senator from Iowa.

Mr. KENYON. Does not the Senator believe, however, that the excerpts upon the wall from an address of Gen. William H. Bixby are sound?

Mr. BURTON. No, I do not; I answer that question right now.

Mr. KENYON. I quote Gen. Bixby:

So long as a waterway is kept open, even with no boats moving on its surface, it is at work day and night in maintaining for the benefit of the people along its banks and connecting water routes transportation rates sometimes as low as could be secured from the waterway itself, if covered with laden boats.

So that, according to that eminent authority—

Mr. BURTON. That is an absurdity which explains much of the pork that is in this bill.

Mr. KENYON. Does the Senator feel that he should criticize a general of the Army and Chief of Engineers for his statements, when those statements are placed on the wall of the Senate?

Mr. BURTON. Yes; when he is wrong; notwithstanding the fact that I have his photograph on my mantle, and he is one of the best friends I have. It is perfectly absurd.

Mr. KENYON. So that there is a conflict between the opinion of the Senator from Ohio and that of Gen. Bixby as to boats being necessary for transportation on a river?

Mr. BURTON. There is, decidedly. A river, if valuable at all, is valuable as an agency for transportation. The railroads have to be built and the rivers improved alike at the expense of the resources of the country. Just see what kind of a policy you would carry out according to that idea. Suppose transportation facilities could be secured for \$200,000,000, and that amount of the people's money were to be spent for whatever was the best transportation agency—say, railroads. According to that theory, the way to do would be to spend \$200,000,000 for railroads, giving all the transportation needed, and then you would go ahead and spend another \$200,000,000 to make those railroads lower their rates. That is the logic of that placard on the wall of the Senate Chamber.

Mr. KENYON. Mr. President, why not buy the railroads instead of building waterways at an expense that amounts to as much as it would cost to buy the railroads?

Mr. BURTON. Well, yes; that might be done.

Mr. KENYON. I think it would be a sounder proposition.

Mr. BURTON. To run them gratis would be better than to carry through some of the projects proposed in this bill. It would be better to build railroads and run them gratis, to put on autotricks, to build electric lines through hilly countries—though the fact is that an electric line, when it is built and fully equipped, is not usually very much cheaper than is a steam railroad.

Mr. THOMAS. Mr. President, would it not be possible if this river were improved as this bill provides that it could be used for the purposes of navigation by hydroplanes?

Mr. BURTON. They might lay out the route for them, though if it was as crooked as those streams out there they would not naturally follow it, because the course would be too circuitous.

Mr. THOMAS. They could fly across the benches and curves and by that means save time in the transportation of goods that are perishable.

Mr. BURTON. The logic of the statement to which the Senator from Iowa has referred is that you must pay double for transportation facilities—one amount to provide and to amply equip the country with means to carry its freight, and then another equal amount to compel them to do a thing which the courts, the commissions, and the legislatures have the power to control. There is hardly a State in this Union that has not a railroad commission. A thousand eyes are looking for unfair rates; a thousand minds, many of the most alert, are ready with their arguments why the railroads should reduce their charges. If there is a rate that is unfair or excessive anywhere, there is a complaint within a week, and when the railroad has once fixed a rate it can not, under the present regulations, if engaged in interstate commerce, raise it, without the power of the Interstate Commerce Commission to prevent.

Railroads have been filling the country with complaints that rates are confiscatory; some railroads have been applying to the courts on that ground, and there is a very large body of public opinion to the effect that the rates are not high enough; indeed, the Interstate Commerce Commission advises the railroads to raise their charges in certain particulars, and now we are confronted with the proposition, "Improve the rivers, dig the holes in the ground, build monuments of folly in the shape of locks and dams, just to make the railroads charge a rate that will suit you." As President Hadley said, "It would be



a great deal better for the Government to pay four or five extra judges to control this problem than it would be to spend some \$50,000,000 in improving rivers to accomplish what might be accomplished in a very much simpler way."

While I am on this subject, although I am digressing more than I had anticipated from the course of my argument, I desire to inquire, Is this whole idea of compelling the lowering of rates on railroads that compete with rivers a fair one? Not all of the people of this country live on rivers. More than half live in the interior, away from any possibility of water transportation. It may be laid down as a great economic law that capital invested in any branch of enterprise must pay a return; otherwise that branch of enterprise will be neglected or abandoned. Suppose, for instance, so heavy a tax were laid upon houses that they did not afford profit to their owners, capital would no longer be invested in houses and the people would not be properly housed. Suppose you build railroads. Those railroads must have an adequate return for the capital in them, else they will deteriorate in quality, render poor service, and, what is more, new railroads will no longer be constructed; as all capital must have its adequate return, so must railroads.

Suppose you make a rule that every railroad that competes with a river must lower its rates below the rates pertaining to the interior, what would be the result? For every dollar that you reduce the revenue on a railroad that competes with a waterway, by that same amount you must raise the rates on the railroads in the interior. So, is it quite fair to appropriate money—take it from that standpoint alone—to improve the Tennessee and the Cumberland and other rivers, and then when they are improved, although there is no traffic on the rivers, to compel the railroads to lower their rates? What have you done by that? The Government has wasted just so much money in an improvement which is not used and, in addition to that, the people along its banks have gained the benefit of lower rates, which lower rates must be counterbalanced by higher rates elsewhere and heavier burdens placed on people remote from waterways.

If anybody can stand up against that conclusion—it is as simple as A, B, C—I should like to know what the argument is.

That question has been very much thrashed out in Germany. You can look to that country for its triumphs in times of peace, notwithstanding the fearful war, because great economic and public questions have been considered there as carefully as anywhere in the world. It was proposed to spend a very considerable sum in the improvement of the navigation of the Rhine River. The stream was already navigable, but it might be made more adequately and fully navigable. Immediately opposition arose from the interior sections of Germany. It was said: "Why, you in the Rhine Valley already have the advantage over all the rest of us. The great bulk of heavy manufacturing is in your valley, but now you are proposing to tax us in Silesia and West Prussia to improve your river. What is the result of the improvement? We raise wheat; we mine coal. By every step that you take in enhancing the use of the Rhine as a navigable river you make it easier to bring in wheat from Dakota or from somewhere in America; you make it easier to bring in coal from Wales or from somewhere else, and it is not fair. Not only does it add to your present advantages, which are very great, but every dollar that is expended on your river increases your facility in importing products from abroad, to our detriment." It was found very difficult to answer this argument.

I believe I agreed to yield to the Senator from Oklahoma.

Mr. OWEN. Mr. President, I should like to ask the Senator if he will not consent to yield, without affecting his own parliamentary status.

Mr. BURTON. I want it distinctly understood that it does not, and that I will not be deprived of the floor.

Mr. OWEN. I ask the Senate to consider Senate bill 6398. It is a short bill, and I think no one will object to it.

Mr. SMOOT. I have not a copy of the bill. I do not know what it relates to.

Mr. OWEN. It simply provides for an amendment to the Vreeland-Aldrich Act, allowing the present limitation of 30 per cent to be increased to 75 per cent of commercial bills against which notes may be emitted.

Mr. SMOOT. When was the bill introduced?

Mr. OWEN. It was introduced on the 25th of August.

Mr. SMOOT. And when was it reported?

Mr. OWEN. It was reported some days ago. I was authorized to report it a week ago, but I am just reporting it now because I delayed it until the other matters were disposed of.

Mr. BURTON. Mr. President, I am frank to say that I should like to know just what is in the bill. Then, again, there is a very small attendance of Senators here at this time.

Mr. OWEN. I can explain the bill to the Senator in a moment. I do not think there is any man in the Senate who would object to this bill. The Vreeland-Aldrich bill forbids the issuance of the Vreeland-Aldrich notes against an excess of 30 per cent as to commercial bills; and it is desired to increase that so that 75 per cent of the value of commercial bills may be available.

Mr. SMOOT. I will ask the Senator from Ohio if he is going to yield for this purpose?

Mr. BURTON. I am willing to yield.

Mr. SMOOT. Then, Mr. President, I suggest the absence of a quorum, so that we may have a larger attendance of Senators.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	Martine, N. J.	Shields
Borah	Hughes	Myers	Simmons
Bryan	Jones	Newlands	Smith, Ga.
Burton	Kenyon	O'Gorman	Smoot
Camden	Kern	Overman	Swanson
Chamberlain	Lane	Owen	Thomas
Chilton	Lea, Tenn.	Perkins	Thompson
Clapp	Lewis	Poindexter	Thornton
Culberson	McCumber	Pomerene	Vardaman
Fall	McLean	Ransdell	White
Fletcher	Martin, Va.	Sheppard	Williams

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. PITTMAN, Mr. SHAFROTH, and Mr. WALSH answered to their names when called.

Mr. BANKHEAD entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-eight Senators have responded to the roll call. A quorum is not present. The Sergeant at Arms will carry out the order of the Senate and request the attendance of absent Senators.

Mr. SMITH of Michigan and Mr. TOWNSEND entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators have responded to the roll call. A quorum is present.

#### AMENDMENT OF NATIONAL BANKING LAWS.

Mr. OWEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Oklahoma?

Mr. BURTON. I yield, it being distinctly understood that it is for the purpose of enabling the Senator to get up this bill. I take it there is acquiescence in that.

Mr. OWEN. There are two of these bills, one relating to the Vreeland-Aldrich Act and one relating to the Federal reserve act. They are presented separately, because the amendments are contained in two separate bills.

Mr. SMOOT. I want it distinctly understood that I shall object to the consideration of Senate bill 6439 to-day. I have no objection to the consideration of Senate bill 6398, which has reference to the Aldrich-Vreeland Act.

Mr. OWEN. From the Committee on Banking and Currency I report back favorably, with an amendment, the bill (S. 6398) to amend section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," and I ask for its immediate consideration. It proposes to amend the Vreeland-Aldrich Act, which, as written, contains the words:

That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus.

It is proposed to amend that so as to read:

That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 75 per cent of its unimpaired capital and surplus.

The committee authorized an amendment to be proposed so as to make the limitation 80 per cent. I should like to have the bill read at the desk.

The PRESIDING OFFICER. Is there any objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," as heretofore amended in an act approved August 4, 1914, is hereby further amended so that the words "That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus"



is amended to read as follows: "That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 75 per cent of its unimpaired capital and surplus."

Mr. BORAH. Mr. President, I wish the chairman of the committee would inform the Senate more in detail as to the necessity of this bill. It is a matter which certainly will strike the country as very extraordinary; and unless a reason is given for it, it will create a wrong impression as to the necessity for it. I should like to hear the chairman explain why it is necessary to make this remarkable increase as a basis of issuing notes.

Mr. OWEN. Mr. President, at present, under the law, the national banks can issue Vreeland-Aldrich notes up to 125 per cent of their capital, provided they put up bonds; but many of the country banks which are commercial banks do not carry their resources in investment securities, but carry them as commercial bills. Those commercial bills are maturing from day to day. They are usually against some commercial transaction, and they have commercial paper of that character. Many of them, in this particular stress, desire some of this emergency currency, but they can not secure it under the rule which obtains now, that only 20 per cent of the capital can be obtained against commercial bills. If it were raised to 75 or 80 per cent of the capital, then they could get a sufficient amount of these notes to satisfy their present requirements.

There is no objection to it, so far as I know. That was the unanimous vote of the committee on the matter. I have known of no objection being raised in any quarter.

Mr. SHAFROTH. And it was recommended by the Federal Reserve Board as being necessary at this time. It is entirely an emergency matter. It relates to the Aldrich-Vreeland Act.

Mr. BORAH. But what is the occasion of this emergency which seems to cover the whole universe of business and finance at this time?

Mr. SHAFROTH. In order to let persons or banks get this money by putting up this security. It is perfectly safe. The bills they have to put up are first class in every respect, and there can not be any loss in it. It is an emergency matter in a way. The notes can not be out long.

Mr. BORAH. It would seem to be the first step toward inflation.

Mr. SHAFROTH. No; because the notes have to be taken up soon. The Vreeland-Aldrich Act provides that they shall be retired.

Mr. SMITH of Michigan. Yes; but if I understand the matter correctly, the Senator from Oklahoma proposes to reduce the charge upon this class of circulation also—not in this bill, but in another bill.

Mr. OWEN. The Senator is mistaken.

Mr. SMITH of Michigan. Again, I should like to ask the Senator from Oklahoma if it is not a fact that the Treasury Department does receive other collateral security than bonds for this emergency currency?

Mr. OWEN. Yes; but only up to 30 per cent of the capital of a national bank, that being the limitation of the Vreeland-Aldrich Act.

Mr. SMITH of Michigan. I understand; but the Senator says that they only receive bonds.

Mr. OWEN. No; I did not say that they only receive bonds, but that on bonds they could get as much as 125 per cent of the capital.

Mr. SMITH of Michigan. It seems to me the widest possible latitude has been exercised by the Treasury Department in the character of securities that will be received for these circulating notes. If that is true, what is the necessity for such an arrangement as this?

Mr. OWEN. They have not the widest latitude. They are confined to 30 per cent of the capital stock of any individual bank, and that is the very thing that is constricting the banks.

Mr. SMITH of Michigan. I understand; but that was thought to be a very liberal limit.

Mr. OWEN. By whom?

Mr. SMITH of Michigan. It was thought by Congress to be a very liberal and a wise limit. If we are to go on from day to day to meet imaginary exigencies that are not even explained. I do not know just where we are drifting. This is not good management and is largely experimental.

Mr. OWEN. I do not see why the Senator says nobody undertakes to explain, because the chairman of the committee is endeavoring to explain now, and was in the midst of an explanation when he was cut off.

Mr. SMITH of Michigan. For instance, in the message of the President this morning he gives as an excuse for an extraordinary imposition of taxes, inquisitorial in their nature, the fact that Europeans have been unable to send to our country as

many foreign-made goods as had been anticipated by the framers of the present Underwood tariff law. That is a very strange condition of affairs. If Congress is to be convened in joint session and a great emergency is to be emphasized because of our failure to import foreign goods in sufficient quantities to yield revenue, then, indeed, an exigency in the affairs of government has arisen. We must import more goods or give our notes or impose new taxes upon the people merely because the Europeans have been unable to send the products of their genius and their labor to America to be consumed. Can it be possible that the bars must be taken down entirely and American industry subverted to the enterprise of the European manufacturers in order to make our country prosperous and avoid extraordinary and inquisitorial taxes? No, Mr. President; our former laws gave us abundant revenue, and yet protected the employment of our people.

Mr. SMITH of Georgia. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Georgia?

Mr. SMITH of Michigan. Certainly.

Mr. SMITH of Georgia. If we do not get the taxes we expect in that way, does not the Senator think it proper to raise them in some other way?

Mr. SMITH of Michigan. No, Mr. President; emphatically not in the way proposed. You have deliberately thrown away one-quarter of your revenue from sugar importations alone. You could rehabilitate your Treasury almost instantly by the imposition of former duties upon sugar and other products now admitted free of duty. Twenty-five million dollars could soon be collected from that source; and yet, rather than acknowledge that your customs law has failed to produce what you confidently predicted it would produce, you now fly to another experiment as fallacious as the last, while the danger and the damage we have suffered is unrepaired because of your lack of wisdom in guarding the country against a domestic condition that might well have been anticipated; and I do not refer to the war in Europe, because this condition of affairs existed many months before that war began. The increased imports on the free list under your law amount to \$140,000,000 more than during the same 11 months of last year.

Mr. OWEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. SMITH of Michigan. I do.

Mr. OWEN. Will not the Senator permit me to remind him that he is going far away from the bill under discussion?

Mr. SMITH of Michigan. Oh, yes, Mr. President; but it is directly connected with the very emergency you now seek to guard against. Why do you not revive your duties on the free list and save a deficit? Now, I know that the Senator from Oklahoma is patriotic in this; but he deals almost exclusively in experiments and emergencies, due largely to inexperience and unwisdom and party discipline, no matter how good his motive. The condition with which bankers are confronted can best be remedied by restoring confidence in our industrial stability.

Mr. OWEN. I will remind the Senator, if I may, that this is not a partisan question, because it affects Republican banks and Democratic banks and all banks alike.

Mr. SMITH of Michigan. Oh, I do not know that it is partisan. Of course not; but our entire tax system, which you have just revised by a new law, has been partisan. It was conceived in your convention and forced through a party caucus; it was framed behind closed doors; it was the fruit of Democratic prowess and Executive obstinacy, if I may so call it; and it has failed utterly to yield the revenue to the Government which was confidently predicted for it. Millions and millions of revenue have been sacrificed to the experimental tests of Democracy; and this is only one of the means you have employed for rebuilding the American credit, which was sadly shattered by Democratic free trade.

I think if Senators would be perfectly frank about it, they would admit that an easy way to avoid inquisitorial taxes and the possibilities of a deficit would be to restore the duties in the tariff law which you so lately repealed, and then you would not only protect your own market from an inundation of European-made goods, but you would again yield to the Treasury, perhaps not a vast surplus under present conditions, but a much greater surplus than can be realized under the present customs law.

No, Mr. President; I am sorry to see your political doctor every day apply some new remedy to a wrong diagnosis.

We told you that you could not raise money enough under your free-trade bill. We told you there would be a deficit, and a month before this war was declared in Europe our customs were showing serious depletion. The sources of our revenue

have been disappointing even to you, and the millions that you expected to get from the income tax have failed to materialize. In the western half of my State, with nearly a million and a half people, but fourteen hundred were caught by the income tax. Less than 60 people paid more than half of it. One hundred and twenty-five people paid more than three-quarters of it. Your income tax has been a failure. Senators know it. The Treasury Department admits it. The cost of management has been far in excess of what it should have been.

Mr. President, Congress will not cure the evil under which we are now passing by emergency propositions of this character. The difficulty under which we are laboring is fundamental. It necessitates the too free use by Americans of foreign-made goods, and it strikes at American labor in every form. You have not provided sufficient revenues, while appropriations continue to be made with a lavish hand.

I protest against this continual daily habit of meeting emergencies in the Government by some new experimental test. You can easily raise your money in the old way, as has always been done by the party which believes in higher duties and a larger measure of protection to our own labor and industry.

No, Mr. President; while I am very loath, indeed, to question the propriety of any proposition advocated seriously on the part of the other side to temporarily relieve the country from embarrassment, you are fast inflating the currency to a point where you will soon see its effect in the diminished value of your circulating medium and the impairment of the national credit. You propose now to make new incursions into the Vreeland-Aldrich Act, which was passed against the protests of Senators upon the other side of the Chamber—loud, long, earnest protests. I myself questioned the wisdom of incorporating in that bill a provision which would allow the Treasury to issue the emergency currency for railroad bonds. I had some hand in driving that feature out of the bill. But, notwithstanding the elimination of that clause, the Treasury accepted certain classes of railroad bonds for emergency currency, and it has accepted certain classes of commercial paper for this emergency currency. Under the wide latitude given to the Secretary of the Treasury, he now proposes to meet a situation not contemplated when that bill was passed, enlarging bank credits to the danger point, in the face of the fact that you are soon to have your much-heralded banking and currency system in practical effect.

If you would have more revenue, get it from sources that have been customary and have not failed us for 50 years. There was never an hour under the Payne-Aldrich law when we did not get money enough to run the Government and maintain its high credit among the nations. We had a surplus of money in the Treasury during every year of its operation. You have undermined the financial structure of the Government by repealing that law and putting in its place an experimental test which has utterly failed to meet the situation.

Mr. President, I do not want to quarrel with either the motives or the purposes of the Senator from Oklahoma. I respect him and the responsibility which he carries as the chairman of the Committee on Banking and Currency; but every day almost we are asked to do something extraordinary and out of the usual path in order to meet an emergency in the affairs of state. No one upon the other side of the Chamber has raised his voice in favor of curtailing the expenditures of the Government. You put twenty-five or thirty million dollars cheerfully into the building of a railroad in Alaska for the benefit of future generations. You have dissipated the revenue and spent money freely in all directions. Senators on the other side are not protesting against expenditures, but as the volume of money decreases in the Treasury and it looks less likely that you will meet the public expenses in the ordinary way, you come blandly forward with these extraordinary experimental tests and multiply the prescriptions without curing the disease.

Mr. President, I sincerely hope that before we pass this bill we may have the fullest information; that we may know the emergency that confronts us; that we may know something about what we shall be asked to do a week hence by those in charge of the Government; and after we have all that information Senators upon the other side may rely implicitly upon the patriotism and the generosity of Senators upon this side to do whatever is necessary. But as long as you continue making appropriations without restraint we may well consider whither we are drifting and who is at the wheel.

Mr. President, what I have said has been said with the kindest feeling, with no desire to cripple or embarrass the administration now in control of the Government of our country.

Mr. OWEN. Mr. President, I had not quite completed what I wished to say in explanation of the necessity for this measure.

When the war broke out in Europe there were a great many

foreigners in this country who were making every effort to get back to Europe and to transmit to Europe to their friends funds that they might require. Moreover, when a universal war breaks out there are a good many people in the country who have a tendency to hoard currency. The consequence is the banks found themselves in need of additional currency, and the only way they could get it was either directly from the Treasury, which amount was by them limited, or to get it under the terms of the Vreeland-Aldrich Act, so called. That act has the advantage of permitting the organization of national currency associations, each of which has a capital of \$5,000,000 minimum, and the currency which is issued under the authority of the Government for the use of these associations is secured first by the member banks who go into the association. Their capital, their resources, are behind this currency; but in addition to that, there must be paid-up bonds and commercial bills. But in relation to bonds, while the banks might put bonds up to the amount of the capital of an individual bank that desired this currency, they could not go beyond that until we amended the law and made it 125 per cent of the actual capital. But as relates to currency which they get from commercial bills, the original limitation was 30 per cent, that being assumed at that time to be sufficient. But many of the country banks have not these bonds, and it has been their lamentation and their cry that has led to the inquiry into this matter. It has been found that it would seriously harm them if they were denied this currency, because they have not the bonds.

That is the reason for enlarging this from 30 per cent to 75 per cent of the capital for such banks. For instance, a bank with \$100,000 capital may by this amendment put up commercial bills and draw against the commercial bills as much as 75 per cent of its currency, and as soon as they had commercial bills, of course, the emergency would be relieved.

Mr. BURTON. Will the Senator from Oklahoma yield to me for a question?

Mr. OWEN. Certainly.

Mr. BURTON. Are railway bonds taken as security for emergency currency under this act?

Mr. OWEN. Yes; I believe they are.

Mr. SMOOT. No; not all.

Mr. SMITH of Michigan. Not all railroad bonds, but such railroad bonds as meet the approval of the Secretary of the Treasury. Under the bill as originally framed such railroad bonds were to be available as had not defaulted their interest and had also paid a dividend on their stocks for the preceding 10 years. I strongly opposed this provision and helped force it from the bill.

Mr. SMITH of Georgia. That was not the bill as it passed.

Mr. SMITH of Michigan. No; I am talking of the bill as it was originally presented to the Senate. We struck the railroad bonds out of it entirely and railroad stock, but we leave a certain broad discretionary power which the Secretary of the Treasury has exercised.

Mr. SMITH of Georgia. We broadened the term "securities" and left it to the Treasury Department to pass upon the securities.

Mr. SMITH of Michigan. Which probably would include a certain class of railway bonds.

Mr. SMITH of Georgia. That is the bill as it originally passed.

Mr. BORAH. I wish to ask the Senator from Oklahoma a question.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. OWEN. Certainly.

Mr. BORAH. What is the rate of interest which the banks pay the Government for this currency issued?

Mr. OWEN. Three per cent for the first three months and 1 per cent for every month thereafter until it reaches 6 per cent.

Mr. BORAH. I will not interpose my judgment against the judgment of the Finance Committee upon this proposition, but what we are evidently hoping to do is to relieve the general business situation in the country by furnishing sufficient currency by which the banks can instantly furnish it to the business interests and industries of the country. But we ascertained here a few weeks ago, when the first currency was issued to the banks at 3 per cent, that they turned around and loaned it to the business of the country at 8 or 9 per cent. Additional currency upon that basis can not help the legitimate business of this country very much. Is there any way by which that can at all be controlled?

Mr. OWEN. It is extremely difficult to go beyond the usury laws which prevail in the States and which obtain under the Federal code. When you come to deal with this instance only,



this currency is very valuable to the business men of the country, because it enables the banks to extend it on the same terms as a rule. It is not to extend the accommodation for speculative purposes, but we have raised the rates so as to make the demand as limited as possible with regard to the continuation of their loans.

Mr. OVERMAN. Why was a 3 per cent tax put on the emergency currency for the first three months? If it is to be an emergency currency for the benefit of the people, why impose any tax at all for the first three months? I understand the tax is to drive the money back into the Treasury after a certain time and to stop inflation. When the Vreeland-Aldrich bill was up here for discussion many of the leading financiers of the country then agitated the question of having no tax at all for the first three months.

Mr. SMOOT. A normal tax.

Mr. OVERMAN. Absolutely a normal tax. I have an amendment which I want to introduce to reduce the tax from 3 per cent to 1 per cent.

Answering the Senator from Idaho [Mr. BORAH], it costs the national banks, I understand, about 2 or 3 per cent to handle this money. If they loan it out to the people at 6 and 8 per cent interest, then if they can get it for 1 per cent for three months they can afford a lower rate of interest. This amendment proposes 1 per cent for three months, and after that the same rate as the Aldrich-Vreeland tax—one-half of 1 per cent a month. It will drive it back into the Treasury if we extend the time about three months. I think the Senator ought to agree to this amendment to strike out 3 per cent and reduce it to 1 per cent, and let the farmers get the benefit of the first three months.

Mr. BORAH. The farmers can not be benefited by three months.

Mr. OVERMAN. Not only farmers, but everybody.

Mr. BORAH. It is a great mistake to suppose that the farmers of the country or the manufacturing interests of the country will get any benefit out of a three months' loan.

But in addition to that, Mr. President, it does not appear from past practice or from past history that they will get the money for 2 or 3 per cent lower.

Mr. SMITH of Georgia. May I ask the Senator what would be the impropriety of putting a limit on the rate of interest which banks which obtain this emergency currency should charge for that amount of issue?

Mr. BORAH. I think it would be eminently wise if it could be made practicable. We do know that the first emergency currency which was issued in this country in this emergency just on hand was not of vast benefit owing to the fact that there is not very much to be gained by a man borrowing money at 8 or 9 per cent on the basis on which he is now doing business. Therefore if we are going to get people money, if we are going to benefit those we want to benefit, I think the suggestion of the Senator from Georgia ought to have consideration.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. SMOOT. I thought the Senator had concluded.

Mr. OWEN. I yield the floor to the Senator.

Mr. SMOOT. Mr. President, the causes of commercial failures never occur during hard times; they generally begin during prosperous times. When the country is prosperous business men, individuals, everybody seem to think there will never be a change. They overreach themselves. The merchant buys too liberally. Business organizations purchase goods freely. All offer credit freely, and when hard times come the crash comes.

Mr. President, there is a tendency in Congress to-day to inflate our currency, and I think that we have about reached the limit of that inflation.

While I am not going to object to the consideration of this bill, I wish to say it is only another step toward an inflated currency, with a view of granting further credits and with little thought of how they are ultimately to be met.

When the Vreeland-Aldrich bill passed Congress it was thought at that time that a 30 per cent currency issue on commercial paper was too great. But now we are going to increase it from 30 per cent to 75 per cent, and it only means, Mr. President, that we are going to have that much more currency in this country, with nothing but commercial paper back of it.

I do not believe it is for the best interests of the business institutions of this country to pass laws under any condition in an emergency of any kind that will destroy the confidence of the people in the currency of the country. We will build up here a business based upon currency back of which there is very little security, and when the time comes for settlement, when there must be a contraction or a limit of issue has been reached—

there will be a time come when pay day must be met—then trouble is going to come.

Mr. SIMMONS. I wish to ask the Senator from Utah if he thinks that the legislation we have already adopted during this session for increasing the circulation of the banks has up to this time resulted in any inflation, or if there is anything up to this time that indicates that it is likely to result in inflation?

Mr. SMOOT. Mr. President, I can not answer that offhand by yes or no, because of the fact that we have not had time yet to see to what extent the inflation of our currency may take place under the legislation passed. We have not yet got the reserve banks organized; they are not in a running condition; but I do want to say to the Senator there is not a question in my mind but that there will be an inflation of our currency when in operation.

Mr. SIMMONS. But the Senator—

Mr. SMOOT. But I do not believe that it will be to such an extent that the distrust of the people will be so great that they will refuse to make use of the currency that shall be issued under the present law.

Mr. SIMMONS. The Senator has not got the point of my question. Probably I ought to preface it with a little statement. My understanding is that under the amendments we have made, if the banks would take out the full limit allowed under the Vreeland-Aldrich Act and under the currency act, there could be issued over a billion dollars of new circulation. I say under the Vreeland-Aldrich Act as amended.

Mr. SMOOT. As loans?

Mr. SIMMONS. Yes; as loans. The Vreeland-Aldrich Act is in operation. The other is not in operation. The Vreeland-Aldrich Act is in operation and has been in operation now for some time. Under that there could be issued at least a billion dollars; and up to the present time, as I am advised, there has been actually issued only about \$250,000,000.

I wish to ask the Senator if he does not think the reason why the banks have not up to this time taken any more of that money is on account of the safeguard against inflation that the bill itself contains in the provision that no money can be secured under that act except by the action of the currency association, which is composed of all the national banks within a particular region, and that in order to get the money that association must approve it? There must be put behind every dollar of new money that is issued the responsibility and the liability of every member bank of that association. Does not the Senator think that that provision is a wonderful safeguard against inflation; that it is sufficient to impose upon the banks extraordinary caution in the application made by these associations for this money?

Mr. SMITH of Michigan. Before the Senator from Utah answers, I should like to say to the Senator from North Carolina that this additional volume of currency authorized by the emergency act has not seriously affected the credit of the country because there has been no currency famine. For instance, in the State that I have the honor to represent we have not asked or taken a single dollar of emergency currency; there has been no currency famine. Therefore there was no necessity for your doubling the amount available under the law unless the revenues had been sadly inadequate to meet the Government expenditures and you hesitated to draw down the Government deposits in the national banks of the country.

Mr. SIMMONS. I did not intend to go into that.

Mr. SMITH of Michigan. I know the Senator from North Carolina did not, but I did.

Mr. SIMMONS. The Senator is right in his statement that the amount of circulation to be taken out will be regulated by the demand that may exist from time to time for money. But the combined responsibility of the banks and of these currency associations through which this money has to be secured will in itself, I am saying, be a reasonable safeguard and an ample safeguard, in my opinion, against inflation through the medium of the Vreeland-Aldrich Act.

Mr. SMOOT. Mr. President, answering the Senator from North Carolina, I will state that personally I favored the Aldrich-Vreeland bill. I supported it in every way. In fact, I thought at the time, and so stated upon the floor of the Senate, that the limit of issue should be \$1,000,000,000 instead of \$500,000,000. It was not a question of the amount in my mind at that time. I wanted it to be sufficient for all the business interests of the United States to know that under any emergency which might happen all banks that were solvent and had resources of the character all first-class banks should carry could receive sufficient help from the Government through the issuing of emergency currency to tide them over any trouble that could come to the country in a financial way.

Mr. SMITH of Michigan. Will the Senator permit me there?

Mr. SMOOT. Certainly.

Mr. SMITH of Michigan. The result of the emergency currency law has been to avoid the issuance by the banks of clearing-house certificates. In addition it has given us an elastic national currency for circulation in place of the clearing-house certificates sometimes issued by banks. But if you now impose upon that emergency fund commercial paper to the extent proposed by the Senator from Oklahoma, and the emergency money is to carry that additional burden, no one can tell how well it may resist the demands made upon it, while it will perform a function that was never contemplated by the authors of that bill.

Mr. SMOOT. Now, Mr. President—

Mr. SIMMONS. And, if the Senator will pardon me to answer the statement of the Senator from Michigan, the Senator says that if the Treasury is allowed to take commercial paper as a basis of circulation it may lead to inflation, while, as I understand him, he does not contend that taking the bonds would lead to inflation.

The Senator probably has not considered this fact that before the application of a bank for circulation based upon commercial paper, as well as upon bonds, can even be presented under the law to the Secretary of the Treasury that application has to be submitted by the individual banks desiring circulation in commercial paper to the currency association of the State—

Mr. SMITH of Michigan. Oh, yes; I understand that—

Mr. SIMMONS. Composed of all the national banks in that State.

Mr. SMOOT. Mr. President—

Mr. SIMMONS. Just let me finish. That currency association has not only got to approve the security offered by the bank in the way of commercial paper, but that association has got to make itself responsible. Every bank in that association has got to make itself responsible for every note issued upon that commercial paper—

Mr. BORAH. Mr. President—

Mr. SIMMONS. Pardon me. And each member bank is bound for that circulation issued upon that paper. What I was saying is that because of this joint responsibility banks of the association which has to approve the security for the notes that are issued against it, the interest of the banks would be so great that they would scrutinize that commercial paper, and that no commercial paper would be passed unless it was held by that association to be ample and sufficient security for the circulation. In other words, that the interest of these associated banks would enjoin upon them the necessity, or at least the advisability, if they were to protect their own interests, of seeing that the commercial paper offered for circulation was just as good a security for the note as the bonds of a State or the bonds of a municipality or the bonds of a railroad that might be offered for it.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield to the Senator from Idaho.

Mr. BORAH. I want to ask a question of the Senator who has just addressed the Senate. Let us assume that the securities back of this note issue may be accepted as safe and sufficient; but I want to ask the Senator, in view of his large experience in these matters, is there any practicable way by which we can get this money into the hands of the people at a cheaper rate of interest? Must we put it out to the banks at 3 per cent and see the people pay 8 and 9 per cent? Who are we legislating for—the money lender or the money user?

Mr. SIMMONS. We might.

Mr. BORAH. If not, what is the benefit going to be to the large business interests of the country—to the farming and agricultural interests of the country—of putting more money into the hands of the banks to enable them to speculate on it at an exorbitant rate of interest? No man can pay 8 and 9 per cent under present depressed conditions and not land shortly in a bankruptcy court.

Mr. SHAFROTH. Mr. President, I should like to answer the Senator's question. If the banks have a small quantity of money, they are going to exact high rates of interest; but if they are given more money they are going to lower their rates of interest. It is a question of supply and demand which controls the situation. It may be wrong that they exact so much interest; but the rate would be a great deal higher if they did not have as much money as this bill would allow them.

Mr. BORAH. Oh, well, Mr. President, I do not believe that the Senator from Colorado upon reflection will think that that will be very much consolation to the business interests of the country, because it is not possible, unless we inflate the cur-

rency beyond all conception of what we ought to do, to put so much in the hands of the bankers that they will not see fit, apparently, to charge the highest possible rates for it in the present condition of affairs.

Mr. SHAFROTH. If it were practicable to limit the amount of interest that the banks could charge, it would be all right; everybody wants the farmer and the person who actually desires to use money to secure it for as low a rate of interest as possible; but money is just like any other commodity—when bankers have a large quantity of it they are willing to lend it, and they will lend it, at a lower rate than if they have a small quantity. That being the case, the banks could readily say to a person who is asking for a loan, "Why, we can not let you have the money; we have not sufficient money on hand; under the various acts of Congress we can not raise enough." Therefore, the banks might not let their customers have the money at all and a man would be ruined in his business; or else, if they did lend the money, they would lend it for 12 or 15 per cent. There are always conditions of that kind that will tempt persons. Consequently, if we can not control the other matter, we had better not put off this means of permitting the banks to get money, so that they can lend it to their customers.

Mr. BORAH. Mr. President, we sent millions of dollars out a few days ago to the banks and they reaped millions of dollars of benefit from the speculation. We gave it to them at 3 per cent, and they put it out at 8 and 9 per cent, according to the news reports.

Mr. SHAFROTH. They might have put it out at 12 or 15 per cent if they had not had a sufficient quantity.

Mr. BORAH. If pure inflation is desired—

Mr. SHAFROTH. It is not inflation.

Mr. BORAH. Let us build up our paper mills and begin the work.

Mr. SHAFROTH. There can not be a great war anywhere in the world but the demands for money become instantly greater. That is manifested by the fact that in the countries of Europe immediately after the war commenced banks began to close, the bankers began to hoard their gold; in fact, almost all forms of money were hoarded. That created great demand for the limited supply. Consequently there must be relief. If there is no relief then ruin stares the merchant in the face. That is the reason every Government on earth in times of war or in times of great exigency relies upon the issuance of paper money, not for the purpose of inflation, but for the purpose of letting commerce have a fair chance to live through those times.

Mr. BORAH. Why do you not organize the Federal reserve banks and get to work, so that we can do what it was stated we could do, and thus control, to some extent, the rates of exchange and interest? We are legislating here upon this question of currency; and I say to you that the benefits will not reach the masses of the people at all. We are legislating for a very few people to whom we have given the power not only to issue notes, but to issue notes for which the Government has gone security, and they turn around and loan them to the people at their own rate of interest. I think we ought, before pressing this bill, take time and see if we can not reach those whom we want to reach.

Mr. SHAFROTH. Mr. President, there are various reasons why the Federal reserve banks are not yet in operation. In the Senate itself certain confirmations were held up for a period of six weeks. There was necessary delay, but the system is going on, and they are trying to get into operation as soon as they possibly can.

The idea that the law which was passed in December last is an inflation measure is directly contradicted by the fact that before you can get money under that law you must put up a 40 per cent gold reserve. That constitutes a check against the money which can be obtained; but in times of distress, in times of war, when money is hoarded you must have more money, in order to do business or else you are not only going to have stagnation, but you are going to have ruin in business enterprises. Inasmuch as this bill provides simply for an amendment to the Aldrich-Vreeland law, which makes the retirement of that currency absolutely necessary in a month, I can not see that there can be any well-founded charge that it is an inflation policy.

Mr. BORAH. Mr. President, some time ago I asked the Senator from North Carolina whether or not he thought it could be made a practicable proposition to control the rate of interest charged for this currency which we are proposing to put out?

Mr. SIMMONS. Mr. President—

Mr. SMITH of Georgia. Mr. President, before the Senator from North Carolina answers the question of the Senator from Idaho, I should like to suggest this amendment at the close of



the section to which the Senator from North Carolina [Mr. OVERMAN] offered an amendment:

*Provided further,* That the rate of interest charged by the banks issuing said notes for the loan of said notes shall not exceed 5 per cent per annum.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me for just a second, I think he should provide that the rate of interest charged by the banks shall be not to exceed a certain amount over and above what they pay to the Government, so that the rate of interest to be charged by them could vary with the length of time the money is out.

Mr. SHAFROTH. Mr. President, the amendment proposed by the Senator from Georgia would merely have the effect in my section of country that we should not get a dollar of this money, because the rate of interest there is higher than 5 per cent.

Mr. OVERMAN. Our people can not afford to pay 8 or 10 per cent interest. In order to do business profitably they have to borrow money for 5 per cent.

Mr. SHAFROTH. You will find that the money will concentrate here in the East and will not get to those communities where the rate of interest is higher than 5 per cent.

Mr. BORAH. With the banks loaning this currency at 8 and 9 per cent in New York, what benefit will the Senator's constituents and my constituents get out of this legislation?

Mr. SHAFROTH. If it does not afford any other benefit, it will supply more money that will have the effect throughout the entire country of increasing the supply, and hence lowering rates of interest. If you are going to have a limited supply of money so that you can not get money from the banks, it is going to be reflected in a high rate of interest everywhere, not only in New York but it will permeate through the entire country. Consequently, wherever you relieve that condition in any community it has an effect, not so great in many localities as in others, but it will affect the rates of interest everywhere. I doubt very much whether you can regulate the rate, but if it is practicable I should be glad to do it, because the people who use the money are the ones who ought to get the benefit of it.

Mr. SIMMONS. Mr. President, the Senator from Idaho [Mr. BORAH] asked me if I knew any practical way in which the people could get this emergency money at reasonable rates of interest. Preliminary to answering that question, I want to say that I believe that the rate of interest, or rather the tax—for it is not interest but a tax—imposed in the Vreeland-Aldrich Act on this money is too high. I am in sympathy with the proposition of my colleague [Mr. OVERMAN] to reduce that tax. I think if that tax were reduced to not more than 2 per cent for the first three months, with a slight increase for a number of months, not going at any time beyond 5 per cent, the people would get their money at reasonable rates everywhere.

I wish, however, to say to the Senator that, so far as the banks in my State are concerned—and I have had conferences with many of the bankers there—I have found no disposition on their part to charge more than 6 per cent for this money; in fact, our State laws do not permit the banks to charge more than 6 per cent. I do not mean to say that those laws are always observed, but they are generally observed by the banks in my State. The bankers in my State will not expect to be able to make any money, however, loaning out this new currency at 6 per cent, because, in the first place, they have to pay this high tax of 3 per cent; and, in the next place, the banks in my section have not in their vaults the bonds that are required as the basis of security—either Government bonds or State bonds, or county bonds. They do not deal in that class of securities; they have not sufficient money to invest in that class of securities. The bonds issued in my own State by municipalities and by counties are sold not in the State but in the North. They are not in the vaults of the banks in my State. The bankers of my State tell me that in the present condition about the only security they have to offer under the act for this money is commercial paper.

I am now reciting this in answer to the inquiry of the Senator as to the exigent character of this proposed amendment of the law presented by the Senator from Oklahoma. They say that we only have this commercial paper. It is true that the Secretary of the Treasury has indicated his purpose to hold that warehouse receipts of cotton and of other staple agricultural products are security under the bill; and being security, the banks could take out currency to the extent of, say, 25 per cent of their capital and surplus; but our cotton has not yet been harvested; it is not in the warehouses; it will not be in the warehouses for weeks and months. It has got to be picked and ginned; so that that class of securities is not at present available to them to meet the pressing obligations which are falling upon them—a part of those pressing obligations being the calls of their correspondent banks for money which

they have borrowed. Now they say: "We are in this situation: We can get only 30 per cent of the amount of the notes to which we are entitled under the Vreeland-Aldrich Act upon commercial paper, so that we are in a position where we can only get at best 30 per cent of the amount we are entitled to under that act."

Mr. BORAH. Mr. President—

Mr. SIMMONS. Let me run that out. The Senator will see the situation in my State—and I think it is largely the situation in the South. Under the Vreeland-Aldrich Act the 72 national banks in my State—in my State we have inclined rather to State banks than to national banks, and we have probably three times as many State banks as national banks—all the money the 72 national banks in my State could get under the Vreeland-Aldrich Act, if they were to take out to the full limit of 125 per cent of their capital, would be about \$9,000,000. If they have no security except commercial paper, all they can get is about \$3,000,000. That would be the limit.

We raise in North Carolina a million bales of cotton, and at the average price of cotton it would take \$50,000,000 to pay for that crop if it were to be bought and paid for in cash at current prices. In order that we may get anything like reasonable prices for our cotton, in order that it may not be thrown upon the market and sacrificed, as would be the case if there can not be withdrawn from the market 4,000,000 bales, which is a little more than a fourth of the cotton crop of the United States, it will be necessary for us in North Carolina, doing our proportionate part, to withdraw from the market at least one-fourth of the million bales produced by the State. It would take over \$12,000,000 to do that, while we would only have \$3,000,000 if we were to get all the money we are entitled to draw upon commercial paper—and that is all the security we have at the present time.

The Senator from Michigan [Mr. SMITH] suggested to me sotto voce a moment ago that we have the State banks to fall back upon. The State banks would not get any of this money; they can participate under the Federal reserve system, but not under the Vreeland-Aldrich Act. If they get any, they have got to get it through the national banks, and the limitation upon the national banks can not be altered for the benefit of the State banks.

The Senator has suggested, also, that the banks have money in their vaults to fall back on, but in my section of the country the vaults of the banks are about depleted. We raise various crops there; we raise tobacco, which is an expensive crop, and we raise cotton, which is an expensive crop. We have to fertilize our cotton heavily, while Texas does not have to fertilize at all, and it makes our cotton crop very much more expensive than the cotton crops of Mississippi and of Texas.

In connection with raising these crops the banks have loaned out very nearly to the limit, very nearly to the danger point, and they have not the money in their vaults. On the contrary, they are heavily indebted to their correspondent banks, and to meet the obligations of their correspondent banks they rely upon the farmers to whom they have advanced money on cotton and tobacco, and until the farmers can sell their cotton and tobacco they can not come to the rescue of the banks. That is the situation.

Mr. BORAH. Mr. President, will the Senator from Utah pardon me a word further?

Mr. SMOOT. I yield to the Senator.

Mr. SIMMONS. If the Senator will allow me, I wish to add merely a word to what I have said. The banks in my State have advised me that they would have to continue to loan at 6 per cent, and that that might possibly result in a loss at the present rate of tax, but that they were ready to assume the burden if necessary.

Mr. BORAH. Mr. President, if I understand the Senator correctly, he said that the banks of his State had already loaned to the danger line upon the cotton production and upon securities of that character.

Mr. SIMMONS. I meant to say "had approached the danger line."

Mr. BORAH. And yet such securities are to be the basis of this further issue. I think that is one of the dangers of this proposition.

Mr. SMITH of Georgia. Mr. President, I should like to add just a word at this point to what the Senator from North Carolina [Mr. SIMMONS] has said. That does not mean the danger line to the banks themselves so far as their solvency is concerned; it means this—and the same conditions exist in all the cotton States—it is the practice of the banks to furnish the money to the growers of these large annual crops, always expecting that by the 1st of September the turn of the tide



will come and that in 60 or 90 days they will have more currency than they will know what to do with.

They have loaned all that they can well afford to loan and do not expect to extend their credits any further. They have extended their credits in the shape of loans, and they have good security for them, but, compared to their capital stock and their surplus, they have let out their lines of credit as far as good banking will permit, and they can not well let out any other lines of credit unless there is some provisions by which they can more readily turn their good securities into currency.

Mr. BORAH. Mr. President, trespassing upon the time of the Senator from Utah for a moment, passing by all those matters which have been pretty well presented, including the reason for this measure as an emergency act, we get back to the question, How are we going to reach those whom we ought to reach? I do not know whether or not the Senator from Georgia is going to offer his amendment.

Mr. SMITH of Georgia. I am.

Mr. BORAH. Then, when the amendment comes up, it will be time to discuss that, and I will not trespass upon the time of the Senator from Utah further.

Mr. SHAFROTH. Mr. President, I should like to state to the Senator from Idaho that any attempt that might be made to fix the rate at which the banks shall loan the money would not, in my judgment, have the effect to reduce the rate of interest. Many of us have felt that usury statutes are good things, but I think all political economists have condemned usury statutes and say that they increase the rate of interest instead of decreasing it. I do not believe there is a single writer upon political economy who does not say that every attempt to get cheaper rates of interest by usury statutes has resulted in raising rates. The reason why usury statutes raise the rate of interest is because whenever borrowers have to have money, and, under the principle of supply and demand, you reach the point where the statute prescribes no greater rate of interest shall be charged, then, in order to overcome the risk which they take in lending money that way, the banks will impose a still higher charge to cover themselves against the forfeitures that are prescribed by the statutes. For that reason political economists have condemned usury statutes.

Mr. OVERMAN. That may be all right in theory, but it will not work out in practice.

Mr. SHAFROTH. It seems to have worked out in my State; in Colorado there is no usury law. You can charge a man 50 per cent per annum if you can get him to agree to it.

Mr. SMITH of Georgia. What are your usual rates?

Mr. SHAFROTH. Our usual rates in the banks are from 6 to 7 per cent, and that is a fair charge. Of course where the risk is more the rate is a little higher. I have been in favor, and some years ago I advocated such a proposition in a message to the legislature of Colorado, of fixing the usury rate at 12 per cent per annum. That would make it high, but it would have a tendency to curb those people who are trying to ruin other people; but whenever you make a usury rate near the actual rate then in existence, when times come when the demand for money is great the lender is going to impose a higher charge than if there was no usury law, because he takes the additional risk, of forfeiture prescribed by the statute, and he must be reimbursed for it if he takes the risk.

Mr. BORAH. Here is the situation in which we find ourselves: Regardless of the general law of political economy, or what economists say with reference to interest, we have delegated to the banks the power to issue notes which shall be treated and used as currency, and the banks may use those notes, and, in addition to that, we have some security for those banks, and there is no one, not even the power of the Government, according to the argument of the Senator from Colorado, to stand between the man who wants money and the rate which the bank sees fit to charge. It calls us back to the fundamental proposition that the Government alone should provide the money of the country and everything which performs the functions of money.

Mr. SHAFROTH. When we issue currency under the Federal reserve act we do not pretend to prescribe what rate of interest shall be charged by the banks that get that money, and you will find it will be impracticable to make such an attempt. You will find that it will not work. The rates for money will be regulated according to the principle of supply and demand, and when that principle operates you will get the cheapest rate of interest. So far as my State is concerned, we have never had any difficulty in getting low rates.

Mr. BORAH. Mr. President, I will tell you what you will find. After it has been demonstrated to the people of this country that the Federal reserve act does no more than to authorize the banks to issue their notes, the Government to

guarantee those notes, and the banks to charge the people what they see fit upon the securities which the people furnish the several banks and which they in turn furnish to the reserve banks, you will find that the people of this country will insist upon a Government bank and a possibility of the people doing business direct with the Government through a Government bank. The function of supplying the currency of the country should not be delegated to private corporations, leaving the people to the mercy of the corporations. We have seen our mistake in the last three weeks—the Government sending out this currency for 3 per cent and the banks charging 8.

Mr. SHAFROTH. Mr. President, the difficulty with that situation is that no government of which I have ever heard attempts to control, with relation to its circulating medium, how much a bank shall charge the individual as interest except in the usury statutes, and they relate not only to currency but—

Mr. BORAH. But, Mr. President, a bank should have no more right to issue notes which shall circulate as currency guaranteed by the Government than it has to exercise any other function of government such as declaring war.

Mr. SHAFROTH. That is true; there is no doubt about that, unless the right is conferred; and it is conferred by the Government for the purpose of supplying an adequate circulating medium. If you have not an adequate circulating medium, the rates of interest mount high, and if you have an adequate circulating medium then rates are low. If you notice the New York money market, you will find that it fluctuates and varies. Call loans get as low as 2 per cent per annum, which is due to the fact that there is a surplus of money. The banks want to put it out; they lose all interest unless they can put it out, and, consequently, they lend it out at a low rate of interest.

Mr. SMOOT. Mr. President—

Mr. SHAFROTH. I want to say just a word more, if the Senator will allow me, and that is with relation to the paper called commercial paper. It has been demonstrated that the safest paper is commercial paper, meaning that paper which represents a transaction in commerce, which means that there has been a sale of something and a draft drawn upon and accepted by the purchaser and a bill of lading attached to the draft. That is absolutely the safest paper known to banking circles. There is not even a loss of a hundredth of 1 per cent on that kind of paper; and that being the case, it is, as a security, even safer than bond securities.

Mr. BORAH. Instead of this currency based upon cotton and upon salmon and upon commercial securities, and so forth—

Mr. SMITH of Georgia. I object to mixing salmon with cotton any further.

Mr. BORAH. Does not the Senator from Colorado think free coinage of silver would beat that?

Mr. SHAFROTH. I must say that that is a different proposition. I will admit that the time is going to come, in my judgment, and it will not be long after the European war closes, when there will be a good chance for an international agreement with respect to silver—I do not know at what ratio, but I am satisfied that bimetallism would be of great benefit to the people and would obviate the necessity for much banking legislation. Basic money is always better than credit money.

Mr. SMOOT. Mr. President, I have listened patiently to what Senators have had to say on this subject, and I am not surprised in the least, after hearing what the Senator from Colorado has said, that he heartily approves of this bill, and will be in favor of any other measure that may be presented to the Senate to inflate our currency, no matter to what extent. As I said, I am not going to object to the passage of this bill; but I believe, from what I understand, that this is only a step toward other legislation that will have for its object the inflation of our currency many times greater than this bill provides for.

Mr. President, the Senator from North Carolina, I believe, about 30 minutes ago, asked me a question, and I shall now answer him, as I would have done immediately at the close of his question, if I had had a chance.

The Senator says only about two hundred and fifty millions of this emergency currency have been issued since the passage of the law in the year 1908. I may add to that statement and say that all of that \$250,000,000 has been issued within the last 30 days. The reason for it is that up until 30 days ago the rate of interest charged on the issue of emergency currency was so high that the banks of this country could not afford to use it. Some two years ago there was a great scarcity of currency to move the crops in this country. Our banks did not undertake to use emergency currency for that purpose. Under normal conditions a bank that would apply for emergency currency would at least be looked upon with suspicion.



All who knew it would immediately ask what was the matter with the bank applying for it. The mere application would be considered as a signal of distress, and would have to be explained if conditions were normal.

I realize that conditions are not normal at present. I know that it would not be looked upon under present conditions as it would have been looked upon two years ago. I stated to the Senate, when we had under consideration the Federal reserve bank act, that I believed that it would have been better for this country if Congress had amended the Aldrich-Vreeland Act in a number of particulars than pass the bill they did. I believe so yet, Mr. President. I believe that act, amended in but a few particulars, would have met every business emergency that would ordinarily come to this country. To-day we find that the much condemned Aldrich-Vreeland Act, passed some six years ago, is the act that is assisting the business of this country in passing through the financial troubles that it has been called upon to pass through in the last 30 days. Democratic Senators who condemned it while under consideration and voted against it are now glad to speak of its virtues, and are offering amendments to it and pleading for immediate action on the ground that it is vital to the business interests of our country.

Mr. GALLINGER. Mr. President, I will ask the Senator to what extent this bill, which I have just glanced at, is likely to inflate the currency. In connection with that interrogatory I want to say that, while I pretend to no special knowledge on financial or currency questions, on yesterday I received a letter from a very conservative Democratic banker in my State—a man who perhaps stands at the top of our bankers—in which he appealed to me to do what I could to prevent any further inflation of our currency, saying that we were, as he used the word—and it has been used elsewhere—pyramiding it, and that some of these days a crash would come, and when it did come it would be a very serious matter. Now, I do not know how that is, and I should like the Senator, with his superior knowledge, to make a suggestion along that line.

Mr. SMOOT. Mr. President, I can repeat what I said before, and that is this: Every time we inflate our currency—and the bill we now have under consideration will do that very thing to the amount of hundreds of millions of dollars, if the banks take advantage of it—we are building, as the Senator says, a pyramid of credits, a house of cards, and if a limit is not put upon it the time will come when the house will begin to tumble, and no emergency currency that we can issue, nor all the credit of the United States, could prevent the destruction of business from one end of the country to the other.

The United States is not different from an individual, except in size and in power. Any Senator in this Chamber could issue his check for \$100, and nobody would question it. Other Senators might issue their checks for \$10,000, and nobody would question them; but if these same Senators issued their checks for \$1,000,000, everybody might question them. The same principle applies to the Government of the United States. Even America has a limit to her credit. The Nation's credit must be maintained with her own people as well as with all nations. Inflate our currency beyond reason, and distrust in our monetary system will soon manifest itself in the minds of our own people, and every civilized nation will look with distrust upon our currency issues. Pyramiding of credits by issuing currency on every conceivable commodity, thus adding hundreds of millions to our uncovered and unsecured currency, can weaken the monetary system of even the United States.

Mr. President, I do not want to see the time come when we will issue currency based upon most every commodity. I have a bill before me, Senate bill 6439, and if the Senators will notice, it provides for the issuing of currency on goods of nearly every description. Mr. President, every dollar of the currency issued by the United States should be just as good anywhere in the world as a gold dollar, and, thank God, in the past it has been so. A few days ago, however, we noticed in the press of the country that foreign countries were calling attention to the fact that what we had already done, the laws we had already passed, may have a bad effect upon the credit of this country and the currency she may issue in the future.

Mr. GALLINGER. Mr. President, will the Senator enumerate just what collateral is named in the bill he has just called attention to, upon which currency can be issued?

Mr. SMOOT. Mr. President, it provides for the issuance of currency upon drafts and bills of exchange secured by agricultural products or other goods, wares, or merchandise on importations and exportations, as provided for in the present law, but the proposed measure adds, "upon the domestic sale or consignment of goods to be delivered to purchaser or consignee on or before the maturity of such acceptances."

Mr. SMITH of Michigan. Whose bill is that? Who is the author of that bill?

Mr. SMOOT. This bill was reported to the Senate last night.

Mr. SMITH of Michigan. By whom?

Mr. SMOOT. By the Senator from Oklahoma [Mr. OWEN], the chairman of the Committee on Banking and Currency.

Mr. GALLINGER. Did the Senator notice when that bill was introduced? I have been pretty watchful, and I do not remember that that bill ever was introduced in the Senate.

Mr. SMOOT. Mr. President, it was supposed to have been introduced yesterday. I was in the Senate yesterday nearly every minute, and if the bill was introduced from the floor of the Senate it was introduced when I was called into the Marble Room. I knew nor heard nothing of the bill until it was asked to be considered yesterday just before the close of the session.

Mr. GALLINGER. By unanimous consent.

Mr. SMOOT. By unanimous consent.

Mr. SMITH of Michigan. We were told that it was another emergency bill.

Mr. SMOOT. And as an emergency measure.

Now, Mr. President, I think we ought at least to conform to the rules of the Senate in introducing bills, and a measure so far-reaching as this ought to be considered by the Senate, for it has a far-reaching effect not only to-day, but in the future business life of the country.

Mr. SMITH of Georgia. What is the number of that measure?

Mr. SMOOT. Senate bill 6439, order of business 677.

Mr. GALLINGER. Is there a printed report, I will ask the Senator?

Mr. SMOOT. I understand there is a short report.

Mr. TOWNSEND. The Senator will find the report printed in the Record of yesterday.

Mr. SMOOT. Now, Mr. President, I do not know how much of the additional 45 per cent issue allowed on commercial paper as provided for in this bill will be issued. I am going to ask the Senator from Oklahoma if he really knows how much currency could be issued by the banks under the bill proposed, provided they took advantage of its provisions, or, in other words, what amount of currency could be issued under the increase?

Mr. OWEN. My understanding is that there have been applications already made for \$250,000,000, and that about one-half of that has been actually issued.

Mr. SMOOT. On commercial paper?

Mr. OWEN. No; just under the Vreeland-Aldrich act.

Mr. SMOOT. What I wanted was the probable issue under this amendment, and only on commercial paper.

Mr. OWEN. No record has been made up of that. I will say that in the panic of 1907 the estimates made, which were quite reliable, were to the effect that the clearing-house certificates, cashiers' checks, and so forth, amounted to about \$500,000,000. Under this bill the possibility would, of course, compare with the amount of the capital of the banks which would enter these associations. Only a comparatively small number of banks have entered the associations, but they have been encouraged as far as possible to enter the associations so that they might get this relief while the Federal reserve act is in abeyance.

Mr. SMOOT. Then I was well within bounds in answering the Senator from New Hampshire when I said that it would be hundreds of millions of dollars?

Mr. OWEN. Yes; undoubtedly. The amount that could be issued would run into several hundred million dollars.

Mr. SMOOT. Mr. President, I agree with the Senator from Colorado in this particular—that among the best security that could be given to the Government of the United States, or to the currency associations, which virtually stand between the Government of the United States and the member bank which borrows the money, is the commercial paper that they would offer as security. It is generally live paper. It is generally paper that is met at maturity. It is generally short-time paper; and I myself believe that it is as good a security as many of the bonds that the Government takes for security, and a great deal better security than bills of exchange on many of the commodities named under the law.

Mr. SHAFROTH. And, added to that, the guaranty of the currency association that must be formed makes it an absolutely safe currency.

Mr. SMOOT. Of course there is another question that we ought to take into consideration. Everybody seems to have been speaking for the bank—the bank that wants to borrow the money, the bank that expects to receive the emergency currency. I want to say that we ought to look further than the bank. We



ought to look to the depositor who has deposited money with the bank. I want to say also to the Senate that with the amendments that are being pressed to our currency system, with very little consideration, we are opening the door for the reckless banker, the speculator, the man who is in the banking business not to build up such an institution that his name attached to it would be a credit to him and his family as long as they lived, but the man who wants to make quick money and who will go to the very limit of the law, and sometimes step over the mark and violate the law in using the reserves that the law says he shall have and maintain in his bank.

Mr. President, every time we pass a law removing present well-known business restrictions, giving the reckless banker further power of securing currency based upon commodities and commercial paper, we are jeopardizing to a certain extent the deposits that the people have placed in his care and protection. Therefore, before we take many further steps in amending the present laws, and at a time when the mere word "emergency" seems to cover everything and bar the better judgment of Senators and Congressmen in considering measures, I say let us be a little careful.

Mr. OVERMAN. Mr. President, I will ask the Senator—he was here at the time and heard the discussion, and I remember hearing him very ably discuss that question—whether it was not then considered, even when there was no emergency on hand, that this tax of 3 per cent was too much for the first three months?

Mr. SMOOT. I take it for granted that the Senator remembers that I said that an emergency currency used by the legitimate banker ought to be provided at a nominal rate.

Mr. OVERMAN. I had a letter yesterday from one of the leading bankers in this country, and he said the Government ought not to tax these people who have good securities a cent for the first three months; that it ought to be a gradual tax, and finally drift back; but why tax them for the first three months and require the borrowers to pay the tax?

Mr. SMOOT. As I say, it ought to be a nominal rate for the first three months; and if I were going to change the present law outside of that I would add to the rate of interest charged after the first three months more than it is now, one-half of 1 per cent a month. If the rate was increased more than one-half of 1 per cent we would catch the banker who is banking for the greatest profit in the least possible time, almost immediately. That is why I say that amendments that are offered at least ought to be considered most carefully by this body before they are adopted.

Mr. SMITH of Georgia. Mr. President, I believe as strongly as the Senator from Utah in an absolutely sound currency. I am as much opposed as anyone to inflation of paper money which might in any way endanger the stability of our currency. I have listened to him with interest and I have heard him criticize measures not now before the Senate rather than the immediate measure before the Senate, and it is only fair to the proposed amendment that it should be understood that the remarks of the Senator from Utah have very little application to it.

Mr. SMOOT. I said it was only one step toward what I understood was to be the action on the part of the majority.

Mr. SMITH of Georgia. I intend to discuss the present step; and what I say is that the speech of the Senator from Utah presented no objections to the present step, and the dire calamity from an unsound currency about which he spoke is not applicable, according to his own argument, to this step. When other steps are sought to be made, we may then reflect further; but I deem it well to have it distinctly understood that none of his criticisms upon the subject of a dangerous inflation of paper money can be made applicable to the proposed step.

In 1907, Mr. President, this country suffered from the lack of elasticity in our currency. Really, it is remarkable that we have not suffered more in the past because of the utter lack of elasticity in our currency. In 1907 clearing-house associations organized all over the country and met the currency famine by issuing clearing-house certificates exceeding in quantity \$500,000,000. They were subject to a 10 per cent tax.

I remember when the clearing-house association of my own city conferred with me upon the subject to know whether I thought the tax would be enforced. I replied: "No; the balance of the cities in the country will be in the same fix you are in; and just as the Senators and Congressmen from our State will demand that you be relieved, so the demand will come from all over the country; but if you should have to pay the 10 per cent, you had better pay it than to close your banks."

Our banking system is largely conducted not upon the capital of the bank but upon the depositors' money. The depositors' money is loaned to the customers of the banks. When a money

squeeze came, under the system as it had been in the past, the banking institution, which ought to be able to relieve the community from the squeeze by enlarging the circulating medium, thereby being able to stop the tightness and restore normal conditions, was compelled to contract its credits, for the tightness of money caused a withdrawal of deposits and lessened bank resources. We had nothing in our system that gave banks an opportunity to use their credits and securities to obtain additional currency.

The panic of 1907 was due to the deficiency of our banking and currency system. The Vreeland-Aldrich Act, passed in 1908, was intended to meet this deficiency. I do not think the act was what it should have been, but I would have voted for it, had I been in the Senate, if I could have obtained nothing better. It was vastly better than nothing at all. One of the great objections to the Vreeland-Aldrich Act was the extreme tax it imposed from the start and which it increased so rapidly upon the currency that was to be obtained for emergency purposes through its use.

The Vreeland-Aldrich Act required currency associations to be formed. No bank can issue its own notes, or obtain the privilege of its own note issue, by bond security or any other security, under the Vreeland-Aldrich Act. It was necessary in a given territory to form an organization of banks with not less than \$5,000,000 of capital, and this currency association of united banks became jointly liable for every note that any one of the banks was permitted to issue.

This currency association, with its select men in charge of the securities presented by any bank to obtain the privilege of using its own notes for circulating purposes, becoming jointly liable with the bank applying to issue notes for circulation, first passed upon the securities tendered to it by the bank; and then, later on, the officers of the currency association were called upon to present the securities to the Treasury Department, and the Treasury Department was also required to approve the security before the bank notes could be used for circulation. So the notes thus issued for circulation were passed upon by men other than the bank who received them, but who loaned their credit to the bank receiving them. The Vreeland-Aldrich Act made them all equally responsible for the notes received by any one of the banks and used by any one of the banks.

The reason that act was never used before can be explained in two ways. First, we have had no currency emergency of any kind to require it since 1908. Second, the tax was so severe that no bank would ask to use it unless it threw up its hands and declared, "I am not in a position to do a legitimate banking business. I am in such dire distress that I am willing to issue my notes and start with 3 per cent and increase 1 per cent each month until I pay the rate of 10 per cent for the privilege of issuing my own obligations."

Mr. SIMMONS. Did it not start at 5 per cent?

Mr. SMOOT. No; 3 per cent.

Mr. SMITH of Georgia. No; it started at 3 per cent.

Mr. SIMMONS. I think the Senator is right.

Mr. SMITH of Georgia. I know I am right. At the end of three months it added 1 per cent a month, 1 per cent a month, 1 per cent a month, until it reached 10 per cent.

Mr. SMOOT. Yes.

Mr. SMITH of Georgia. And the bank that would admit that it was ready to pay 10 per cent for the privilege of issuing its own notes would admit that a condition confronted it that really ought to close its doors.

Mr. SMOOT. I will say to the Senator that I was thinking of the Federal reserve act, which amended the Vreeland-Aldrich Act.

Mr. SMITH of Georgia. As I wrote the amendment that was inserted in the Federal reserve act, I was naturally familiar with the provision that I was seeking to change.

Mr. President, on August 4 we amended the Vreeland-Aldrich Act and allowed banks to issue their notes, under certain circumstances, up to 125 per cent of their capital and surplus.

What is the situation that confronts us just at this time? We have passed a measure which, in my judgment, will be fruitful of more value to the business interests of this country than any law with which I am familiar that ever was passed in the history of the United States. I refer to the new currency bill, and I give credit to the Senate for having written into the bill which came from the House two-thirds of what it now contains. When the bill passed the House I felt that I could not vote for it, but I believe the bill which was finally given as an act to the country resulting from the work of the House and the Senate is the best measure of the kind that was ever given to the people and the business interests of a country.

We were delayed about the organization of our Federal reserve banks; we were delayed about the members of the reserve



board, and before we could put them into operation the war in Europe came upon us as a shock to the business interests of the country.

Now, the organization of these Federal reserve banks will involve the removal of over \$500,000,000 of currency from the banks of the country into the Federal reserve banks. That of itself must create a contraction in the currency, for the banks of the country must prepare to make the transfer. Then, later on, the transfer of the reserves from the reserve centers to the Federal reserve banks must follow.

I believe that our new banking and currency act is a magnificent measure. No thoughtful man, at all familiar with banking and business, can fail to see that the process of organizing these banks and the process of transferring to them the capital which must be furnished by the present national banks of the country and the process of transferring the reserves cause every existing bank to be cautious about credits. The banks have accumulated money to make the transfer, so that really to-day we have at least \$500,000,000 of our normal currency removed from active operation by reason of the fact that it is about to be transferred to the Federal reserve banks.

Now, in connection with passing our new banking and currency act, realizing that this contraction of circulation would take place, covering quite a little period of time pending the organization of the Federal reserve banks, we amended the Vreeland-Aldrich Act so as to make it possible for these bank organizations under the Vreeland-Aldrich Act to issue an increase of bank notes to supply the needs incident to the contraction which the transfer from the national banks to the Federal reserve banks would necessarily cause, and we reduced the rate from 5 to 3 per cent for the first three months, and from 1 to a half of 1 per cent increase for the next six months. This was sufficient to meet the contraction of the currency the organization of the Federal reserve banks would temporarily create; but the fact that just at the time we were about to have the transfer made from the banks to the Federal reserve banks the war in Europe came upon us, disorganized our business, disorganized our credits, and seriously affected exchange, thereby making an additional temporary increased demand for currency.

This bill provides for the privilege of issue by these currency associations up to 75 per cent of the capital stock and surplus of banks in currency associations, based on commercial paper and secured by it. On August 4 we gave the privilege of an increased issue up to 125 per cent of the capital and surplus of the banks, but the difficulty was that that increase must be predicated upon securities. The language of the act does not say "bonds," it says "securities," and the only securities that were in shape for use were bonds, and the bonds offered did not furnish the increase of currency that was necessary. The bonds available only made it possible to afford an increase of about \$200,000,000. The normal condition needed an increase of over \$500,000,000 incident to the mere payment in times of peace by the national banks of their stock liabilities to the Federal reserve banks. The national banks are called on to pay into the Federal reserve banks for the stock for which they are liable over \$500,000,000.

We have not to-day met the contraction we created, outside of the problems brought upon us by the European war. If all the banks used to the fullest extent the increase through notes which the act would allow, it would amount to about a billion dollars, but it is apparent that a very limited number of them can put up the securities required to make the issue 125 per cent of the capital stock. This provision, which allows them to go to 75 per cent, based upon commercial paper, I have no idea can increase the issue more than three or four hundred million dollars beyond where it has gone now.

As I said before, without the war, as a mere incident to the change of our system and the organization of the Federal reserve banks, \$500,000,000 of contraction would necessarily take place for a short time.

Mr. FLETCHER. Will the Senator allow me?

Mr. SMITH of Georgia. Yes.

Mr. FLETCHER. As one result of the war it is very important to bear in mind the cutting off of all mediums of exchange, bank exchange, letters of credit, and American Bankers' Association paper. None of those were receivable or passed as money at all, and we had to find some way of substituting actual funds for what had been doing the business of money.

Mr. SMITH of Georgia. Not only is that true, but the exchange from different States has been paralyzed, and to-day, instead of settling our balances from the city where I live and the city of New York by exchange, we ship currency. The demand for currency caused by the war is exceedingly large. Yet this bill as we amend it only carries the relief a short distance

beyond the normal contraction incident to the organization of the Federal reserve banks.

Mr. President, let us bear in mind that the Vreeland-Aldrich Act expires July 1, 1915. This is no inflation. This is no issue of paper money drawn out with no rubber band to pull it in. It is absolutely limited to nine months by the terms of the act under which it is issued. If the Federal reserve banks are in full operation in the course of the next 60 days they should be amply able to meet the situation, and I trust it will not be necessary to extend the terms of the Vreeland-Aldrich Act, although I agree with the Senator from Utah that there are elements of great value about it. I have never read the debates which took place when the act was passed, so I do not know the reasons why Senators on this side of the Chamber opposed it, but I have not been always in entire accord with my own party on the currency question.

Mr. SMOOT. The only reason, I suppose, was because it was a Republican measure.

Mr. SMITH of Georgia. That is a sufficient reason to cause suspicion on nearly every subject except a currency bill, but I am obliged to admit on the currency question I think there have been times when I would have voted with the Republicans and not with the Democrats. Therefore in discussing this question and impressing the soundness of this bill I do so from the standpoint of an intense believer in sound currency.

I hardly think this bill will furnish the currency we need. It will after we get the reserve banks organized and they overcome the stringency caused by the change from the national banks to the reserve banks of over \$500,000,000 that must be caused in connection with the organization of the reserve banks. I do not know why their organization has been delayed, but I can see a very good reason. There was already a strain in the country upon currency. We have not by the act of August 4 sufficiently relieved that strain. It may have been felt, it may be now felt, that some further relief in the line of expansion of currency is necessary before we withdraw from the banks \$500,000,000 and put it in the reserve banks.

Mr. VARDAMAN. Mr. President—

The PRESIDING OFFICER (Mr. McCUMBER in the chair). Does the Senator from Georgia yield to the Senator from Mississippi?

Mr. SMITH of Georgia. Yes.

Mr. VARDAMAN. I wish to ask the Senator from Georgia if he has the data or has made an estimate of the amount of currency that could be issued under the law as proposed to be amended? What would be the additional amount?

Mr. SMITH of Georgia. Under this provision the increase is from 30 to 75 per cent. I have not worked it out accurately, but I said I thought it might carry the total issue to between \$600,000,000 and \$700,000,000, a little more than the amount we are going to withdraw from circulation in connection with the organization of the reserve banks.

Mr. SMOOT. In this connection I wish to say that I fully agree with the Senator that the withdrawal of this money from its natural place of deposit and putting it in other places—and they must do it under the law—is going to make a restriction in certain centers, particularly in New York and San Francisco and some of the larger money centers of the United States; but I do not believe that it is going to affect the business of the country to the amount of \$500,000,000 for this reason. I know that our part of the country has already provided for the transfer of the amount that will be required under the law for them to deposit with the reserve banks, and I think that most of the small institutions of the country have already provided for that and it will be no hardship; but I do not know it is going to be a hardship on New York, it is going to be a hardship on San Francisco, and perhaps on Chicago and some of the other great centers.

Mr. SMITH of Georgia. The smaller banks that have already provided for it are restricting their credits because they have provided for it, so that we are having, as to the smaller banks which provided for it, a restriction of credits and a limitation of loans, and we will have a still further restriction in the larger cities as they do provide for it.

I really believe that this measure not only does not go to the extent of inflation, but it does not go further than the contraction incident to the organization of the Federal reserve banks is producing.

Mr. SMOOT. The Senator must also admit that the contraction is only temporary. Just as soon as the money is withdrawn from the present depositories and put into the depositories required under the law, of course it will not be very long until that money is again in circulation.

Mr. SMITH of Georgia. I agree with that, of course.

Mr. SMOOT. It is a temporary restriction.

Mr. SMITH of Georgia. I am referring to it as a temporary matter, but I should say it would be 60 or 90 days before it would be normally going out and operating. I hope the time will be less, but it will take time. It must go out again with care and thought and readjust itself.

What I wish to do, Mr. President, is to press the proposition that this is no inflation.

Now, Mr. President, I desire to address myself to the amendment offered by the Senator from North Carolina [Mr. OVERMAN], which provides that the rate of interest or the rate of tax for the first three months shall be at the rate of 1 per cent per annum. I am cordially in favor of that amendment.

I think that is wise; I think it is exceedingly desirable to lessen, so far as we can, the burden of increased rates of interest, and especially so at this time. I think the heavier rate of interest is discouraging to the man who has ample assets. We have done no overtrading in this country for the past 12 months or two years. If we had not been in splendid condition to meet the burdens of the European war, we would have had smashes all over the land. We were splendidly prepared for it.

Mr. WILLIAMS. Mr. President, will the Senator from Georgia pardon an interruption there?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Mississippi?

Mr. SMITH of Georgia. Yes.

Mr. WILLIAMS. I agree with the Senator from Georgia in the position he takes that the tax ought to be less than it is now; I am also of the opinion that if that were the case, business would be accelerated a little more than it is now; but would the Senator fix a different rate of interest to be paid the Government, one in the shape of the tax under this bill and the other in the shape of interest to be paid upon Government deposits in a bank? The interest paid upon Government deposits in banks for moving crops is 2 per cent; and it seems to me they ought to have the same starting point; that whatever you fix for one ought to be the starting point for the other.

Mr. SMITH of Georgia. Mr. President, I do not think so. The Government rate for a deposit of money is flat 2 per cent; it does not increase at any time; it does not require a deposit of 5 per cent of gold with the Treasury. The bank for the privilege of issuing its own notes under the Vreeland-Aldrich Act deposits and maintains 5 per cent of gold with the Treasury; and it must increase that deposit at any time when the call by the Treasury is made for it. So it can not issue really more than 95 per cent. The use of this money at the rate of 1 per cent is limited to three months. Then it increases at one-half per cent each month for six months. The issue is limited to July 1, 1915. It will take care of the situation to a considerable extent pending the change by payments from the different national banks to the Federal reserve banks. It, to a limited extent, takes care of the interference with credits and exchanges throughout our entire country as a result of the European war.

I am cordially in favor of reducing the tax to 1 per cent for the first three months. I have offered an amendment to come at the close of the second section, or at least just after the proviso.

Mr. WILLIAMS. Does the Senator make his amendment a second section of the amendment of the Senator from North Carolina?

Mr. SMITH of Georgia. No. I take the section which the Senator from North Carolina proposes to amend.

Mr. WILLIAMS. The Senator said a moment ago at the end of the second section. There is only one section of the bill.

Mr. SMITH of Georgia. That was the second section of the original bill, as I understand.

Mr. OVERMAN. That is right; the second section of the original bill.

Mr. WILLIAMS. I was referring to that.

Mr. SMITH of Georgia. The Senator from North Carolina proposes to amend the original bill by changing the tax from 3 per cent to 1 per cent. At the close of the portion of the section which he hands me in print I suggest the addition:

And provided further, That the rate of interest charged by the banks issuing said notes for the loan of said notes shall not exceed 5 per cent per annum.

Mr. President and Senators, I do not agree with the Senator from Colorado [Mr. SHAFROTH] about limiting rates of interest, although he comes very near supporting his position by citing the rate of interest in his own State. Our rate of interest in Georgia, fixed by statute, is 7 per cent, and the limit of interest by written contract is 8 per cent. Our banks charge 6 and 7 per cent. The Senator from Colorado states the fact that with no limitation at all as to rates of interest, the rates of interest

charged by the banks in his State are about the same as those of my State.

I know that political economists insist that there should be no limit to the rate of interest fixed by statute, and yet I would vote to-morrow in my State to limit the rate of interest to 6 per cent. The Senator may be right. I may be wrong; but I am wedded to the idea of a statutory limitation of rates of interest.

Let us see what this limitation would mean. When we passed the act of August 4, we thought we had provided that the State banks as well as the national banks might have the advantage of the Vreeland-Aldrich Act, for we added a proviso that the provisions of that amendment should extend to all State banks which, within 15 days, contracted to join the Federal Reserve Association. We meant by that that the State banks should have the privilege of joining currency associations and should have the privilege of issuing their notes, for which the currency associations should be liable, for remember that none of these notes occupy the attitude of an ordinary bank note; none of them have any of the elements of uncertainty that pertain to notes issued by a single bank. They are notes issued by a single bank with the approval of an organization of banks, each bank in the organization, when it consents to that issue, passing upon the securities put up by the bank that issues the note, and becoming jointly liable with the bank for redemption of the notes.

A 5 per cent gold deposit is required for redemption with the Treasury Department, and this must be increased if called for.

Mr. SIMMONS. If the Senator will pardon me, I should like to inquire—I am not antagonizing the proposition—how he is going to enforce it? As I understand his proposition, it is that the banks receiving these notes shall not charge more than 5 per cent for a loan. How is such a provision to be enforced?

Mr. SMITH of Georgia. There would be no trouble at all in enforcing it. The comptroller would require the banks to report the loan of these notes, and they would be required to show that the rate of interest charged on such notes did not exceed 5 per cent; otherwise they would be subject before the comptroller to the penalties which he has the power to place upon them for violating any of the statutes of the United States.

Mr. JONES. If the Senator will yield, I wish to ask him a question for information, because I think if that provision could be enforced it would be a good provision. Can these notes be issued for any other purpose than for loans?

Mr. SMITH of Georgia. No.

Mr. JONES. Of course, if they can not be so issued, it seems to me that it would be very easy to enforce the provision.

Mr. SMITH of Georgia. They are not a part of the reserve of the bank. The bank can not take them and make them a part of their reserve.

Mr. JONES. Can they be used for investment purposes, or for anything of that sort?

Mr. SMITH of Georgia. Well, the national banks could buy bonds with them to the extent that they are permitted to purchase bonds.

Mr. JONES. They could buy bonds with them and loan their other money out at any rate of interest.

Mr. SMITH of Georgia. My proposed amendment says "the rate of interest charged by the banks issuing said notes for the loan," and so forth. I think I need, perhaps, the provision that shall not be used for purchase of investments.

Mr. JONES. I think so.

Mr. SMITH of Georgia. I am perfectly willing to insert such a provision. I thank the Senator from Washington for the suggestion.

Mr. CLAPP. Will the Senator pardon an interruption?

Mr. SMITH of Georgia. Yes.

Mr. CLAPP. I will say that I am heartily in sympathy with the suggestion. My banking experience, of course, has always been outside of the banks, but I will suggest that when a man goes to a bank and gets a loan he does not, as a rule, get the money. He gives his note and gets a credit for it. Of course if the man were to get a thousand dollars of these specific bills when he gave his note to the bank that could be reported, but, as I understand the great bulk of the bank transactions in the matter of loans, a man gives his note to the bank and the bank simply gives him a credit; from time to time he checks against that credit, and that check goes from bank to bank. While I am in hearty sympathy with the purpose of, and shall vote for, the Senator's amendment, it strikes me that there is going to be great difficulty in enforcing it.

Mr. SMITH of Georgia. That could be covered. We can provide that the banks issuing these notes shall carry loans equal



to their amount upon which they shall not charge over 5 per cent.

Mr. CLAPP. I do not want to embarrass the situation, but we have got to face this matter at some time. The Senator and myself go to a bank. We will say we have a limited credit there of \$1,000 apiece, and the Senator gives his note and I give my note. It so happens that there is not \$1,000 of that particular currency in the bank, and one of us gets a loan at 5 per cent and the other gets one at 6, or whatever the current rate is. How would the Senator meet that situation?

Mr. SMITH of Georgia. The banks might not be able to furnish all their customers at this rate, but it would have a tremendous effect in keeping down all rates.

Mr. CLAPP. I think that is true, and that is why I have always been in favor of a law limiting the rate of interest, because such laws out in the West where I have lived have had great force and effect.

Mr. SMITH of Georgia. I am unaware of the fact that my suggestion is surrounded with difficulties and with complications; but I am so intensely desirous of bringing about the use of this additional currency at a fair rate to the people that I will support any suggestion which would accomplish such a result.

I was not aware that this subject would come up to-day for discussion. I wrote this short amendment immediately after reading the amendment of the Senator from North Carolina. I present it to the Senate simply as a basis for action. If we can perfect a plan by which we can make the banks use these notes at not over 5 per cent, let us do so.

Mr. CLAPP. Mr. President, I think the fact known to customers of the banks that the banks were getting this additional currency at this reduced rate—and I think that provision will be adopted, because from the very beginning it has been in evidence that it was a mistake to make the additional rate so high, and I introduced a bill two years ago to amend the Vreeland-Aldrich Act in that respect—the community knowing that, and knowing that this money must be loaned at 5 per cent, I believe will have a very strong, if I may use the expression, moral effect in relieving the burden of excessive interest that otherwise might result.

Mr. SMITH of Georgia. I am not willing to see the banks charge over 5 per cent for the currency which they obtain in this way. Now, I will tell you what I think may largely be the result of this provision, if we put it in. I think the additional note issue that is permitted to the national banks will largely be loaned by them to the State banks, and, going to the State banks in my section, it will come very much closer to the people most in distress than if it is retained by the national banks.

The great burden that the war has brought upon the cotton-growing States is the paralysis of the cotton market. Our big national banks are in the cities, our State banks of from \$25,000 to \$100,000 capital are located in the smaller cities, which are the centers of agricultural development and of agricultural enterprise. It is those State banks that have furnished the advances to the farmers to make their crops, and those State banks but for the European war would by this time have all the money they could use and in 60 days more money than they could loan.

I believe the limitation in the rate of interest on the national banks will not cause them to make discriminations between their ordinary customers, whom they are charging 6 or 7 per cent, and in some cases 8; but they will simply say to ordinary customers, "We have loaned our emergency-currency notes to smaller banks." That will be the situation in my section; they will say, "We have loaned our emergency currency to State banks throughout the State to aid them in relieving the existing stringency, and the benefit of it will come back to you, our city customers, by your beginning to get some returns on your out-of-town obligations."

Mr. SIMMONS. Suppose they do loan this currency to the State banks for not over 5 per cent, how would the Senator, under his amendment, control the price which the State banks would charge the people for it?

Mr. SMITH of Georgia. We could not control that, but it would make it possible for the State banks to let the people have it reasonably. The national banks in many instances are now saying to the State banks, "You have got to pay us 8 per cent," and it is almost impossible for the State banks to get currency at reasonable rates.

Mr. SIMMONS. The idea I am trying to bring out is that it would be almost impossible to enforce such a provision. The only way that I can conceive of whereby it could be possible of enforcement would be by requiring the bank to certify that it had not loaned any of it out for more than 5 per cent

and imposing a penalty if the bank did loan it at more than 5 per cent. That would require, however, a segregation of those notes from all the other funds of the bank, so that you might have a bank loaning a part of its funds at 5 per cent and loaning another part at 6 per cent.

Mr. SMITH of Georgia. Yes.

Mr. SIMMONS. The question is, Might not that situation deter banks from taking out this money? They might say, "We can not run our banks if we should charge one of our customers one rate and another customer a different rate." I will suggest this to the Senator: Why would it not meet, not fully but in large measure, the object he has in view if he would provide, in case the amendment of my colleague is adopted, that after three months the rate shall be increased, say, a quarter of 1 per cent per month, but shall never go beyond 4 per cent or 5 per cent?

Mr. SMITH of Georgia. Which rate?

Mr. SIMMONS. I mean the tax rate, starting at first with 1 per cent for the first three months and increasing at the rate of a quarter or half per cent per month, but stopping when it reached the rate of 5 per cent; or it might be fixed at 4 per cent, if the Senator desires.

Mr. SMITH of Georgia. To which part of the legislation are you now referring—the Vreeland-Aldrich bill proper?

Mr. SIMMONS. Yes.

Mr. SMITH of Georgia. That is what it does.

Mr. SIMMONS. No; it stops at 6 now.

Mr. SMITH of Georgia. No; it will stop at 4.

Mr. SIMMONS. No; my understanding is that it starts at 3.

Mr. SMITH of Georgia. It will start at 1.

Mr. SIMMONS. No; that is the amendment of my colleague.

Mr. SMITH of Georgia. I am talking about the effect of the legislation if this amendment is adopted.

Mr. SIMMONS. So am I; but what I was saying to the Senator is that under the present act, as it is now, it starts at 3 per cent, and it can never go beyond 6 per cent; and I was suggesting to the Senator that if my colleague's amendment is adopted, starting it at 1 per cent, then he might provide that it should never exceed 4 per cent.

Mr. SMITH of Georgia. I think that is entirely wise, and I should be glad to have that amendment added.

Mr. SIMMONS. I think it would accomplish legitimately the object the Senator has and without the complication.

Mr. SMITH of Georgia. Yes.

Mr. JONES. Mr. President—

Mr. SMITH of Georgia. Yes; I think the section to which amendments are now being suggested might well be changed so that the 6 per cent should be made 4 per cent, and the increase of half a per cent a month continue only for six months. I was under the impression that under the act originally it increased half a per cent a month for six months specifically; but it is half a per cent a month until it reaches 6 per cent, and I think it ought to stop now at 4 per cent.

Mr. SIMMONS. I was suggesting that that would largely accomplish the object the Senator has in view without involving us in the complications that I can see would follow from his proposition.

Mr. OVERMAN. I think not, for this reason: The idea of this gradual increase is to drive this money finally back into the Treasury.

Mr. SMITH of Georgia. It is driven back to the Treasury by the limitation of the act.

Mr. SMOOT. Mr. President, I sincerely hope the Senator will not accept that suggestion. I would rather have it increased than decreased, as I said before. This emergency currency is supposed only to be used in a time of emergency. To see that it is not used in the regular routine business, and that it does not become a part of the credit and working capital of the Government, we have to penalize it to such an extent that it will go back into the Treasury.

My idea was this: To have the normal tax the first three months, so that the bankers will use it, and not penalize their customers or affect their business by having that normal tax the first three months; but almost any kind of disturbance is over in three months, and we want after that time to tax them more for it and continue that tax until it goes back into the Treasury.

Mr. SMITH of Georgia. I wish to ask the Senator if he hopes that the disturbance incident to the war will be largely over in three months?

Mr. SMOOT. A case like this comes once in a lifetime, and perhaps—

Mr. SMITH of Georgia. Well, this law dies, you know, very soon.

Mr. SMOOT. I do not believe this law is going to die on June 30, 1915.

Mr. SMITH of Georgia. I will say frankly to the Senator that unless it is going to die the 1st day of next July I would not be willing to see the rate of interest stop at less than 6 per cent. I would be willing to let the tax run eventually to a rate which would absolutely drive the notes in. I would not consent, myself, to vote for any kind of currency scheme that did not have just as strong an arm to pull it back as to put it out.

Mr. SMOOT. Mr. President, the Senator and I agree perfectly as to that. Why not leave the rate of one-half per cent, as proposed, for the present? Then we can come back at the next session of Congress and, if conditions are such that we feel that the rate ought to be lower, and there is an emergency actually calling for it, I would rather let it be even less than 4 per cent then; but let us not amend the bill so that the business interests of the country will think we do not want to penalize the issuance of the currency and that we want it to enter into the business life of the country. That is not what we want. We want it to be an emergency currency, to be used at a time when the circulating medium in this country must be largely increased, and increased at once.

Mr. SMITH of Georgia. The entire subject came to my attention this afternoon, and I had reflected very little upon those details of the provisions. I did not know it was to come up, and almost by accident I entered the Senate and saw the Senator from Oklahoma [Mr. OWEN] bring it to the attention of the Senate. I really have not a conviction on that subject yet.

Mr. SMOOT. I certainly hope the Senator will not accept the suggestion of lowering the rate.

Mr. POMERENE. Mr. President, I desire to ask a question of the Senator from Georgia. I note that by his proposed amendment he limits the 5 per cent to the loans of these notes. What is the reason for limiting it?

Mr. SMITH of Georgia. I do not exactly understand the Senator.

Mr. POMERENE. This amendment reads as follows:

*Provided further, That the rate of interest charged by the bank issuing said notes, for the loan of said notes, shall not exceed 5 per cent per annum.*

Mr. SMITH of Georgia. Does the Senator mean, by that question, to ask why I would not extend the limitation of 5 per cent to all the rates they charge?

Mr. POMERENE. That is part of the thought I had in my mind.

Mr. SMITH of Georgia. The reason why I would feel that we could distinguish between this currency and the ordinary money is that we are furnishing the banks this currency at a lower rate of tax, and are putting down the tax to make it practicable for them to use this currency to meet an emergency, and I would feel that we were justified in saying what rate they might charge for this currency when I would not feel justified in saying they should charge only the same rate upon ordinary money.

Mr. POMERENE. Does the Senator think anyone would borrow any gold certificates or any silver certificates or any greenbacks or any gold coin or any silver coin at 6 per cent when there was a rate of 5 per cent fixed for these notes?

Mr. SMITH of Georgia. Yes, beyond any question; for this supply would be quickly used, and then they would be left with their ordinary volume of currency.

Mr. POMERENE. Can the Senator conceive a situation where he would pay 5 per cent interest for one kind of bank notes, and 6 per cent for another kind of currency?

Mr. SMITH of Georgia. Unquestionably. If I went to my own bank and borrowed from them a portion of these notes, or gave my note and received a portion of this currency as a credit, and they simply said to me that they had used those notes up and they could not let me have any more at 5 per cent, I would expect to pay the ordinary rate of interest for the balance.

Mr. POMERENE. Mr. President, if this amendment were adopted, the effect of it would be to reduce all the interest rates to 5 per cent.

Mr. SMITH of Georgia. That would be splendid.

Mr. OVERMAN. That would be a good thing.

Mr. POMERENE. Yes; in one sense of the word it would, but let us see where we would arrive. This is an emergency measure, and you can not suddenly adopt a rate of interest different from the prevailing rate without injuring the money market.

Mr. SMITH of Georgia. They have just done that. They have put up their rate.

Mr. POMERENE. I mean, to reduce it. For instance, many of the banks in Ohio are paying 4 per cent for time deposits; some of them even higher rates in the small banks. The banks

could not afford to pay 4 per cent or more for time deposits if they were compelled to loan money at 5 per cent. The result would be that most of the money which now goes into the banks and is deposited for time certificates would be taken elsewhere and it would be out of circulation, and as an ultimate result you would be driving out of circulation a lot of the currency that now exists, and to that extent you would be limiting your circulating medium instead of increasing it.

Mr. THOMAS. Mr. President, if this amendment is adopted, in my judgment, the only effect will be to present the bank which receives the money with the difference between the rate of tax in the Aldrich bill and the amount fixed here. It is not going to benefit a particle the man who needs the money, in my judgment. There never yet was a rate-of-interest statute that controlled the value of money on loans. Money will command whatever interest the needs and exigencies of the times justify.

Of course you can not by legislation provide that the banks shall loan one sort of money issued to them by the Government at one rate of interest, and then that all other moneys in their possession may be loaned at such rate of interest as the banks may determine or the State statutes may fix. There has to be one bank rate of interest prevalent in the community or State at the same time, and that is regulated by the State statute or by business conditions.

It seems to me, as was suggested by the Senator from Utah a moment ago, that if it were possible for such legislation to be effected the banks could very easily use this emergency currency for their reserves, or it would be suggested to them to do so, and loan the rest of it at such rates as money would bring because of the demand.

If this money were issued directly to the people at 1 per cent, and if their commercial paper could be taken to the banks or to the Government Treasury and exchanged for emergency money at 1 per cent, they would get the benefit of it; and that is the only manner in which any scheme of Federal money issue at some fixed rate of interest can be made beneficial to the man who needs the money.

If this legislation is effected as the amendment of the Senator from North Carolina provides, the only effect, as I say, would be to relieve the banks which receive the money from the rate of tax or penalty which is now required by the provisions of the Vreeland-Aldrich emergency bill; and of course the purpose of the interest charge there is obvious. It does not need to be restated. It is simply designed to make the currency perform the function of emergency currency and nothing else, so that when the emergency passes away the money automatically returns to the source of issue, because the amount of the penalty makes it no longer profitable to keep it out.

I do not think anything whatever can be accomplished by this reduction except to raise false hopes, which are bound to be disappointed in practice.

Mr. WILLIAMS. Mr. President, I wish to offer an amendment now, to have it pending, to be considered after the committee amendments are disposed of.

Mr. OVERMAN. Mr. President, will the Senator yield to me?

Mr. WILLIAMS. Yes.

Mr. OVERMAN. Before the Senator introduces his amendment I should like to have a vote on my amendment, as I shall not be here to-morrow.

Mr. WILLIAMS. That can not be done. The committee amendments are to be considered first.

Mr. OVERMAN. There is no committee amendment.

Mr. WILLIAMS. I was informed that there was.

Mr. OVERMAN. No.

Mr. WILLIAMS. Mr. President, I wish to offer an amendment, to have it read and pending, to be considered after the committee amendments, if there are any.

The VICE PRESIDENT. There is a committee amendment pending.

Mr. SMOOT. Mr. President, if that amendment is one increasing the limitation from 75 to 80 per cent, I will state that I understood that the Senator having the bill in charge for the committee had agreed that that amendment should not be offered.

Mr. SHAFROTH. Yes; I will state that the Senator from Oklahoma [Mr. OWEN] has been compelled to leave and that he asked me to look after the bill, inasmuch as other members of the Banking and Currency Committee were not here at the time.

Mr. WILLIAMS. I understood there was a committee amendment.

Mr. SHAFROTH. There was a committee amendment, making the limitation 80 per cent instead of 75 per cent, but inasmuch as he has not insisted upon it, and I have conferred with



some of the committee with relation to it, we are not going to press that amendment.

Mr. SMOOT. I will say to the Senator that before Senator OWEN left he told me that he would not ask to have that amendment adopted; that he would withdraw the amendment.

The VICE PRESIDENT. Then it is understood that the committee amendment is withdrawn.

Mr. WILLIAMS. Mr. President, I will ask the Secretary to read the amendment I have sent to the desk. I will say that before the chairman of the Banking and Currency Committee left I submitted it to him, and he said he would have no objection to it.

I will say a few words in explanation of the amendment before it is submitted.

The law provides that no deposits for crop-moving purposes can be made in cities of less than 50,000 population. The cities of less than 50,000 population, therefore, are cut off from having their municipal bonds and county bonds considered as security for money deposited for crop-moving purposes. There are some States in the Union that have no cities of 50,000 population. It happens that my own State is one of them. I believe Nevada has none. I believe Wyoming has none. I am not certain, but probably North Carolina has none, and Idaho has none.

Now, I will ask the Secretary to read the amendment so that the Senate may hear it. It is merely to cure that difficulty.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. It is proposed to add, as a new section, the following:

SEC. 2. That in a case where a State of the United States has no city within its borders having a population of more than 50,000 inhabitants, the Secretary of the Treasury is hereby empowered and authorized to recognize at least one city in such State, or, in his discretion, not more than three, as having a right to have its or their duly authenticated city or county bonds accepted by the Treasury Department as security for crop-moving deposits. Such cities so recognized shall be selected so as to best serve the agricultural interests of the State in which it or they may be situated, the amount of money to be deposited with such city or cities to be determined under such rules and regulations as the Secretary of the Treasury may prescribe.

Mr. WILLIAMS. Mr. President, in further explanation I will say that all in the world that does is to permit the law to operate with regard to the deposit of city and county bonds of States having no cities of over 50,000 population, as well as in other States. It is a great hardship in my State, for example, that we should have to go and get other security of various sorts in order to secure the money for crop-moving purposes. It leaves the Secretary of the Treasury the sole judge of what cities he will recognize, and it leaves their bonds or securities subject to all the safeguards of the act as it now provides.

Mr. THOMAS. Mr. President, I should like to ask the Senator from Mississippi a question.

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. WILLIAMS. I do.

Mr. SHAFROTH. Mr. President, I wish to reserve a point of order on that amendment. I want to be heard on it. I have just heard the amendment read.

Mr. OVERMAN. I understand that it goes over.

Mr. SHAFROTH. I am not very clear in reference to it, but it seems to me it is not at all germane to the bill we have here, and I want to call attention to these other amendments.

Mr. WILLIAMS. It is germane to the bill, because it is an amendment of the same act that the bill amends. Any amendment of the act which the bill amends is germane.

Mr. THOMAS. Mr. President, I understood the Senator from Mississippi to yield to me for a question only.

Mr. WILLIAMS. Yes.

Mr. THOMAS. I wanted to inquire whether, under the laws of Mississippi, a municipal corporation could issue its bonds to be used for the purpose of raising funds to move crops?

Mr. WILLIAMS. Oh, no; they are already issued, but there is a provision that they may be deposited as security for money for crop-moving purposes.

Mr. THOMAS. Can the bonds of any municipality in Mississippi be used to raise funds for crop-moving purposes?

Mr. WILLIAMS. Oh, no; they are in the hands of the banks. The banks have bought them, or individual citizens have bought them. They are not to be deposited by the State, of course.

Mr. SHAFROTH. I wish to say a few words in relation to the amendments.

Mr. SWANSON. I should like to make a suggestion to the Senator before he gets to the other amendments.

Mr. SHAFROTH. All right.

Mr. SWANSON. I should like to have the committee consider, so far as the emergency currency bill under the Vreeland-Aldrich Act is concerned, the propriety of repealing the 10 per cent tax upon the issues of State banks. In the act that we recently passed amending the act we thought it was an emergency measure and permitted the State banks to join the associations for the issue of the currency of the country, and everyone thought that the State banks would then have a chance of getting this emergency currency. I understand that after it was examined it was ascertained that it did not repeal the 10 per cent tax on State banks, and I should like to ask the Senator from Colorado as to whether his committee has considered the propriety of repealing the existing tax of 10 per cent upon the note issues of State banks so far as the emergency currency issued under this bill is concerned?

Mr. SHAFROTH. I will state that there has been no consideration given by the committee concerning that repeal. The truth of the matter is, we have always considered that if we did not have a tax on the amount circulated by the various State banks we would have complications in the currency as we had before the Civil War.

Mr. SWANSON. I should like to ask the Senator this question. I understand there was passed through Congress a bill, and the President signed it and it became a law, extending the provisions of the Vreeland-Aldrich Act to State banks that should join the currency associations within a limited time, and then when the State banks came to the Treasury Department to get the notes it was ascertained that the law prescribing a tax of 10 per cent upon the note issues of State banks was not repealed. It seems to me that we could very easily repeal that tax, so far as the issuance of currency under the Vreeland-Aldrich Act is concerned, making a conditional repeal, and that such a repeal would obviate the troubles the Senator from Georgia [Mr. SMITH] complains of.

I should like to ask the Senator why it was that the provision was put in the emergency bill that was recently passed permitting State banks to obtain this emergency currency if it was not intended to repeal the 10 per cent tax?

Mr. SHAFROTH. There was no intention to repeal that 10 per cent tax. It has never been considered by the committee.

Mr. SWANSON. Did not the committee provide for the entrance of State banks into the currency associations and to get this note issue?

Mr. SHAFROTH. But that was not in relation to repealing the 10 per cent tax. I understand the national banking act imposes a 10 per cent tax upon any State bank that issues notes for a circulating medium.

Mr. SWANSON. Under the Vreeland-Aldrich Act, which expires the 1st of July, 1915, the State banks were permitted to join the currency associations like national banks and their commercial papers were to have the same supervision for the issue of emergency currency that is extended to national banks.

Mr. SHAFROTH. It might be all right to do that, but you have a complication there, and it takes a great deal of study and a great deal of consideration to determine whether it would be wise or not.

Mr. SWANSON. It would seem to me that it would be easy to amend this proposed law by adding a provision that the tax you impose upon the issue of the notes of State banks is hereby repealed upon the notes of State banks issued under the provisions of this act. If the State banks issued notes otherwise than under this emergency measure the Secretary of the Treasury could supervise it and could see that it was good. It would seem to me that it would give the double relief that we desire, and especially in those States where the State banks exceed the national banks.

I can see no objection to repealing that tax, so far as it applies to all emergency currency issued under this measure. I should like to have the committee think of that and of the convenience it would be. I can see no serious objection why it should not be done.

Mr. SHAFROTH. Mr. President, I want to say in relation to all these amendments that they bring up great questions, and that there is need of the closest examination of them not only by the committee but by those who are in charge of our banking system.

The bill which is before this body now is simply a measure in one direction. It provides that the limit of 30 per cent of the amount of money which can be issued upon commercial paper shall be extended to 75 per cent. When you go into the domain of these other questions you are going to get into difficulties. They have not been considered; they have not been looked at, and there comes the point that we might have our laws seriously complicated.

Mr. OVERMAN. This is a simple proposition of mine. It only changes 3 per cent to 1 per cent.

Mr. SHAFROTH. I want to call attention to the fact that this bill has been considered closely by not only the Treasury Department but also by the Federal Reserve Board. They have concluded that this bill ought to be enacted, and it seems to me we ought to have their advice upon whatever else we incorporate in the bill. Their advice must at least have respectful consideration by the Senate.

Mr. WILLIAMS. Did the Senator hear the amendment which I offered?

Mr. SHAFROTH. Yes, sir.

Mr. WILLIAMS. It is so simple in its way that I think there can be no complication of any description. It was sent to your committee about the middle of August, and there was some correspondence between the chairman and me about it, and to-day I told the chairman I would offer it upon this bill, and he said he had no objection to it. It simply provides that this law, so far as the provisions about cities of 50,000 population are concerned, shall not apply to States which have no cities of that population, and that in certain States the Secretary of the Treasury may designate the city. There is no complication about that.

Take one section of the country—your own section—Idaho or Wyoming or Nevada. There is a vast territory there without a single city of 50,000 population. Here is the State of North Carolina without one; the State of Mississippi without one; and this merely enables one city in such a State as that to be designated.

Mr. POMERENE. Will the Senator from Colorado allow me?

Mr. SHAFROTH. I yield to the Senator from Ohio.

Mr. POMERENE. If the proposition of the Senator from Mississippi is a sound one, then why should it not apply to every State of the Union?

Mr. WILLIAMS. I will answer that.

Mr. POMERENE. Why do you want 48 different kinds of securities for this particular issue? If one class of securities is good in one locality it ought to be good in another.

Mr. WILLIAMS. The Senator totally misapprehends my amendment. The amendment does not affect the character of the security at all. It simply puts it within the power of the State not having a city of 50,000 population to deposit and use identically the same security which the State of Ohio can use.

Mr. SHAFROTH. Mr. President, I will try to look at the amendment offered by the Senator from Mississippi before the debate closes, but I now want to refer to the amendment offered by the Senator from North Carolina.

Mr. OVERMAN. If the Senator is going to discuss the amendment I should like to offer it and let it be read. It proposes to make only one change in the law. It strikes out the 3 per cent tax and makes it a 1 per cent tax.

Mr. SHAFROTH. Does the Senator want to have it read now?

Mr. OVERMAN. Yes.

Mr. SHAFROTH. All right.

The VICE PRESIDENT. The Secretary will read the amendment.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. —. That the act to amend section 27 of an act approved December 23, 1913, and known as the Federal reserve act, approved August 4, 1914, be further amended by striking out, in the second paragraph of said act, line 3, the word "three" and insert in lieu thereof the word "one," so that the said paragraph shall read as follows:

"National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first three months a tax at the rate of 1 per cent per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax rate of one-half of 1 per cent per annum for each month until a tax of 6 per cent per annum is reached, and thereafter such tax of 6 per cent per annum upon the average amount of such notes: *Provided further*, That whenever in his judgment he may deem it desirable, the Secretary of the Treasury shall have power to suspend the limitations imposed by section 1 and section 3 of the act referred to in this section, which prescribe that such additional circulation secured otherwise than by bonds of the United States shall be issued only to national banks having circulating notes outstanding secured by the deposit of bonds of the United States to an amount not less than 40 per cent of the capital stock of such banks, and to suspend also the conditions and limitations of section 5 of said act except that no bank shall be permitted to issue circulating notes in excess of 125 per cent of its unimpaired capital and surplus. He shall require each bank and currency association to maintain on deposit in the Treasury of the United States a sum in gold sufficient in his judgment for the redemption of such notes, but in no event less than 5 per cent. He may permit national banks, during the period for which such provisions are suspended, to issue additional circulation under the terms and conditions of the act referred to as herein amended: *Provided further*, That the Secretary of the Treasury, in his discretion, is further authorized to extend the benefits of this act to all qualified State banks and trust companies which have joined the Federal reserve system or which may contract to join within 15 days after the passage of this act."

Mr. OVERMAN. It will be seen that all the change is from 3 per cent to 1 per cent. The rest of the matter read at the desk is the law now. It only strikes out the word "three" and inserts in lieu thereof the word "one," before "per centum."

Mr. SHAFROTH. I wish to say that there is involved in the amendment of the Senator from North Carolina something of a very serious nature. If you are going to reduce the rate that is to be charged from 3 per cent to 1 per cent, you would have all the national banks grabbing for currency that cost them only 1 per cent.

Mr. OVERMAN. Suppose they do. If they have the security, why should they not have it?

Mr. SHAFROTH. The Senator from Utah was picturing terrible consequences by reason of inflation, yet if he favors 1 per cent money, it is a question whether there would not be a great deal of inflation by reason of the reduction of the rate from 3 per cent to 1 per cent.

Mr. OVERMAN. That is impossible.

Mr. SHAFROTH. I think it is a good proposition to be presented to the committee for consideration.

Mr. OVERMAN. Will the Senator tell me why he proposes a tax of 3 per cent? He knows that the borrower has to pay it.

Mr. SHAFROTH. It is to prevent an overissue and retire it reasonably soon.

Mr. OVERMAN. Does the Senator expect it to come back in three months?

Mr. SHAFROTH. In many instances.

Mr. OVERMAN. Why not make the rate one-half until it reaches 12 months?

Mr. SHAFROTH. If you reduce it in the first instance to 1 per cent, there is a temptation to every bank in the United States to grab that 1 per cent money.

Mr. OVERMAN. There ought to be a temptation. Then the people can get it.

Mr. SMITH of Georgia. With this provision of 75 per cent on their capital stock for commercial paper is it not true that the total issue would about go to only \$600,000,000?

Mr. SHAFROTH. I do not know. There can be an amount issued under the new law of 125 per cent of the capital stock and surplus which would make a large addition to the currency.

Mr. OVERMAN. I will ask the Senator to let a vote be taken on the amendment. I am obliged to leave the city tonight. I will be back on Monday.

Mr. SHAFROTH. I will finish in 10 or 15 minutes.

Mr. OVERMAN. If the Senator will agree to let the bill go over till Wednesday I am willing.

Mr. SHAFROTH. I want to answer the statement made. I will try to accommodate the Senator in any way I can.

Mr. OVERMAN. With the understanding that the bill will go over I will not insist.

Mr. SHAFROTH. I do not know what the emergency is, but I suppose—

Mr. OVERMAN. I insist on a vote on my amendment.

Mr. SHAFROTH. I have the floor. I should like to be heard.

Now, Mr. President, I object to this amendment. Here the committee comes in with a bill with relation to one thing only. It has been considered by the committee. We have received the advice of the Federal Reserve Board. We have received the advice of the Treasury Department. Suddenly by amendments there come up propositions that may involve an issue of hundreds of millions of dollars, which we have not considered, which may be good, but which ought to be referred to the committee. They ought to receive the consideration of the Treasury Department, and then after mature deliberation, after we have looked at all the phases that it bears to the whole system, it may be that they will be considered to be good amendments and should be passed.

I submit that where there is presented a bill with relation to one thing, in order to remedy an evil which the Federal Reserve Board recognizes, which the Treasury recognizes, it ought not to be amended in other particulars unless the amendments are so plain and clear that there can be no objection to them whatever.

Now, Mr. President, I want to call attention to the amendment offered by the Senator from Georgia [Mr. SMITH]. He proposes that there shall be a requirement that the banks shall loan this emergency currency only at the rate of 5 per cent per annum. Of course, every one of us would like to have the money given to the ultimate user at 2 per cent if it were possible; but we must legislate with relation to this matter in accordance with general fundamental principles of political economy, so as to foresee what is going to be the result by the passage of a law of that kind. We have now a law which limits the interest rate. I want to call the attention of the Senator from Georgia



to the national banking act. Here is a provision in that act which says that—

Any association may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidences of debt, interest at the rate allowed by the laws of the State, Territory, or District where the bank is located—

If the Government of the United States attempts to impose upon some State that has the power to regulate rates of interest a different rate, you get a confusion between the national law and the State law. That would not be wise unless after the most careful consideration it is approved. What I am objecting to is that when a little bill comes in here which has one object in view, and which all seem to know about, there should be placed upon that bill amendments which absolutely change the character of the bill and which inject questions of fundamental policy that ought first to be considered most carefully. Then the national-bank act provides further—

and no more, except that where by the laws of any State a different rate is limited for banks of issue organized under State laws the rate so limited shall be allowed for associations organized or existing in any such State under this title. When no rate is fixed by the laws of the State, Territory, or District, the bank may take, receive, reserve, or charge a rate not exceeding 7 per cent.

Now, there is a general law. Are we going to mix our own laws? Are we going to say, with relation to some moneys, the interest shall be 5 per cent; as to other moneys, it shall be 7 per cent? That is the evil in attempting to engraft on a bill that has but one object in view various important propositions of different kinds.

As has been shown here by the Senator from Ohio, you are going to say that this emergency money shall be loaned at 5 per cent interest when the banks do not give out money at all. They give checks. Are you going to conclude that a check given to John Jones is going to pull out this emergency money and that therefore they can charge only 5 per cent for that, but the check that is given to John Doe is other money, and they can charge 7 per cent for that? It makes confusion. It is not well enough considered to be offered as an amendment.

As a proposition it is all right to consider, but before you enact it into law, before you change the laws of the United States with relation to such a far-reaching question, it seems to me that we ought to have a conference upon it by the members of the committee and a conference with the Treasury Department and the Federal Reserve Board to see the full effect of such an amendment.

From these facts it seems to me that neither of these amendments should be presented or adopted. If the Senator from North Carolina [Mr. OVERMAN] is insistent upon his motion to amend, I would prefer that it go over until Wednesday.

Mr. SMOOT. Let it go over.

Mr. OVERMAN. All right.

Mr. SMITH of Georgia. We certainly will insist upon his amendment whether he does or not.

Mr. SHAFROTH. If that is the case, I think we ought to have a consideration of this amendment by the Federal Reserve Board and by the Treasury Department, for I believe it will change the law considerably and to a degree that we do not foresee.

Mr. OVERMAN. I am perfectly willing for it to go over, but I am not going to take the opinion of any seven Reserve Board men. I am trying to legislate in behalf of the people who need the money.

Mr. SHAFROTH. You surely would give consideration to their views.

Mr. OVERMAN. Not between a 3 per cent tax and a 1 per cent tax.

Mr. SHAFROTH. The effect might be very serious, and we can always gain knowledge from the views of others.

Mr. SMITH of Georgia. I will be delighted to hear from them, and after hearing from them I shall vote for 1 per cent.

Mr. OVERMAN. Let the amendment go over, then, until Wednesday.

Mr. SHAFROTH. Can we not have an agreement to take it up Wednesday?

Mr. OVERMAN. We had better let it go over.

Mr. SHAFROTH. Let it go over, with the understanding that it will be taken up Wednesday.

#### LABOR DAY.

Mr. KERN. I present an order and ask unanimous consent for its consideration. It pertains to adjournment.

The VICE PRESIDENT. The Secretary will read it.

The Secretary read as follows:

Resolved, That not later than 6 o'clock p. m., Saturday, the 5th of September, the Senate will take a recess until 11 o'clock a. m. on the following Tuesday.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

Mr. JONES. Is that offered as a motion?

Mr. KERN. Yes; I move the adoption of that order.

Mr. JONES. I suppose it is not a debatable matter, but I simply want to say that I hope it will not be adopted. We have several important bills on the calendar, one of them especially, with reference to the opening of coal lands of Alaska, which is just as much an emergency measure as any of the bills which have been presented to the Senate. I think we could spend Monday much better in passing some legislation of that kind than in adjourning over. It seems to me that we have been here such a long time now that we ought to use the time we are here to try to get through necessary measures of legislation.

Mr. KERN. Labor Day is a national holiday, and there are Senators who have agreed to deliver addresses on that day.

Mr. JONES. We can not show more respect to labor, so far as that is concerned, than by doing something that will be beneficial to labor and beneficial to the country. That is what we would do by using the day for the purpose I have indicated. I dislike to see the day lost. We have another bill, reported and on the calendar, restricting immigration, and there is nothing that would please labor more than if we could pass that bill on Labor Day. Besides, there are some other bills that I should like to see taken up and passed.

Mr. VARDAMAN. Mr. President, I would like to ask the Senator the purpose of setting apart that day? Why is it done?

Mr. JONES. It is a recognition of labor.

Mr. VARDAMAN. It is not a day of rest, but it is a tribute, it is an honor, paid to labor; and this Congress can not do better and can not spend that day more profitably than by showing its respect for and deference to the people whom it is proposed to honor by making that a national holiday.

Mr. JONES. Labor would rejoice wonderfully if we would pass the immigration bill which they have been pressing for so many years, but have not been able to get through.

Mr. VARDAMAN. Why not take it up on Sunday, then?

Mr. JONES. I am here and ready to take it up.

Mr. KENYON. I should like to ask the Senator from Indiana if there is any serious objection to making that an adjournment instead of a recess?

Mr. KERN. There is.

Mr. KENYON. Well, we have had to-day practically a morning hour without having it in a parliamentary way, and I hope there will be a regular morning hour some time soon.

Mr. KERN. There will be plenty of opportunity for morning business next week, I will say to the Senator.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

The motion was agreed to.

#### RIVER AND HARBOR APPROPRIATION BILL.

Mr. SIMMONS. I ask that we proceed with the consideration of the river and harbor bill.

Mr. TOWNSEND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	O'Gorman	Stone
Bankhead	Gallinger	Overman	Swanson
Brady	Jones	Polindexter	Thomas
Bryan	Kern	Pomerene	Thornton
Burton	Lane	Ransdell	Townsend
Chamberlain	Lea, Tenn.	Shafroth	Vardaman
Chilton	Lee, Md.	Sheppard	White
Clapp	Lewis	Simmons	Williams
Culberson	Martin, Va.	Smith, Ga.	
Fall	Martine, N. J.	Smoot	

Mr. VARDAMAN. I wish to announce the unavoidable absence of the junior Senator from Missouri [Mr. REED]. He has been called from the Senate on urgent business.

Mr. CHILTON. I desire to announce the necessary absence of the junior Senator from Kentucky [Mr. CAMPEN]. He has been in the Senate all day, but has just been called from the Chamber on urgent business.

The VICE PRESIDENT. Thirty-eight Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. THOMPSON entered the Chamber and responded to his name when called.

The VICE PRESIDENT. Thirty-nine Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given.

Mr. JONES. I move that the Senate adjourn.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

Mr. KERN. I ask the Senator to withdraw that motion. I had in view another motion of a little different character.

Mr. JONES. I will withdraw the motion.

Mr. KERN. I move that the Senate adjourn until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Saturday, September 5, 1914, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES.

FRIDAY, September 4, 1914.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, be with us in the present crisis, occasioned by the war which is shaking the centers of all Europe, that "with malice toward none and charity for all" we may hold ourselves aloof from everything that would tend to bring us into the awful conflict. Divest us, we beseech Thee, of avarice and arouse the patriotism of our people that they may encourage home industries by using home products. Holding ourselves ever ready to counsel peace among the belligerents, we thank Thee that our Red Cross association is going forth to alleviate the suffering and sorrowing in the war zone; protect them in their good offices and bring out of the war in Thine own way a betterment of conditions and a lasting peace for all the world, and eons of praise we will ever give to Thee in the spirit of the Lord Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BELL of Georgia, on account of sickness.

To Mr. STOUT, for two weeks, on account of illness in his family.

To Mr. GUDGER, for three days, on account of sickness in his family.

### ANTITRUST LEGISLATION.

Mr. WEBB. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. WEBB, Mr. CARLIN, Mr. FLOYD of Arkansas, Mr. VOLSTEAD, and Mr. NELSON.

### REMARKS OF THE PRESIDENT.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting the remarks made by the President on the 3d day of October of last year, when he signed the tariff bill, and on December 23 of last year, when he signed the currency bill.

The SPEAKER. The gentleman from Mississippi [Mr. HARRISON] asks unanimous consent to extend his remarks in the Record by printing the remarks made by the President of the United States when he signed the tariff bill and the currency bill. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, will the gentleman yield for a question?

Mr. HARRISON. Certainly.

Mr. MANN. Have not these remarks been already inserted in the Record?

Mr. HARRISON. They have not. I was under the impression that they had been.

Mr. MANN. I am still under the impression that they have been; but they are not very long, and I shall not object.

Mr. HARRISON. I am informed by the gentleman from Michigan [Mr. DOREMUS], the chairman of the Democratic congressional committee, that they have not been.

Mr. MANN. He did not find them, I suppose; he was not here, probably.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

### ROLL CALLS.

Mr. BARNHART rose.

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. BARNHART. Mr. Speaker, I ask unanimous consent to proceed for eight minutes on a fair presentation of the question of roll calls.

The SPEAKER. The gentleman from Indiana [Mr. BARNHART] asks unanimous consent to proceed for not to exceed eight minutes on the subject of roll calls. Is there objection?

Mr. MANN. Does the gentleman desire to make an apology?

Mr. BARNHART. No.

Mr. MANN. The gentleman differs from most of the Members of his side of the House, for they have offered apologies.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and the gentleman from Indiana is recognized for eight minutes.

Mr. BARNHART. Mr. Speaker, habitual neglect of duty by any public official whom the people have intrusted with their business is a crime in fact if not in law. [Applause.] This is just as true of Members of Congress as of any other public officials. But does occasional absenteeism from the House during long sessions of Congress like we have had continuously for several years necessarily constitute neglect of duty? Is the worth of a Member of Congress to be estimated by the number of times he answers roll calls, whether they be important votes or political horseplay? I think not. A Member of Congress has other duties to perform beside sitting in the House listening to long-winded speeches and political jockeying. [Applause.] If he is a working Member, he is on some important committee that has frequent meetings to give hearings on proposed legislation or to investigate alleged abuses of the public. And if his committee is in important session and some Member in the House makes a point of order that there is not a quorum present—218 Members—there is a roll call. The busy Member hears that the call is merely for a quorum and goes right on with his work, and the Record shows him absent. The Member with little or nothing to do answers the roll call, and thus the Record credits him with "present." The Member actually at more important work than answering "present" is thereby condemned by the Record for absenteeism, while the one with little to do but sit in the House is glorified by the Record showing him answering all roll calls. Therefore I submit that always answering "present" is not the royal diadem of useful statesmanship. [Applause.]

A live Congressman has an enormous amount of correspondence to read and answer in his office and a thousand and one trips to departments in behalf of the needs of his district. In this way he serves his constituents who can write him. But those who are not ready letter writers and who seldom if ever see and talk with their Congressman get no personal consideration from the man who represents them.

It may be that sitting in the benches of this House year in and year out and answering every roll call is a safe criterion by which to estimate efficient representation of a congressional district, but if that be true then anyone who can say "present" and who has the physical disposition to keep a seat warm five or six hours every day would be just as useful as the most effective and alert legislator that ever came to Congress.

Mr. Speaker, I never had such a clear conception of duty to my people as when I had time occasionally to circulate among them and hear from their own lips their ideas of the needs of public welfare. I never served the people I represent as intelligently and as fully as when I used to go home occasionally and, after advertising my coming, "keep open house" in all of the principal towns and cities of my district and thereby enable the people of all classes to confer with me. The old soldier who felt that his service to his country was not being properly appreciated, the poor mother whose son had boyishly run away and become tied up in the Navy to her distress, the farmer who had claims for better rural mail service and needs for Agricultural Department help, the business man who had suggestions of better Government service, the preacher and teacher and laborer who felt entitled to consideration of their wants by their Government, all came to see me, as did hundreds and hundreds of others. And they were profited by the information I could give them, and I was thereby given a larger conception of public needs and official duty.

It is figured out that the expense of running Congress is \$12 per minute, and we see Members daily burning up money in speech making or ordering nonsensical roll calls. We hear others uproariously applaud proposed punishment of absentees, whose actual records of attention to duty are not half as faithful as those whom they publicly censure. And we see others continu-



ally talk, talk, talk for self-aggrandizement until Members are driven into God's outdoors as a matter of health and soul protection. [Applause.] They seem to count that page of the CONGRESSIONAL RECORD lost which does not contain their names.

Far be it from my purpose to apologize for habitual absenteeism from this House, for it is inexcusable and reprehensible [applause], but I tell you, Mr. Speaker, that if we did less grandstanding here and gave more attention to what is really needed and to doing business we would be vastly better off and so would our country.

Answering every roll call is a commendable record for a Congressman, but faithfully caring for the wants and needs of the people he represents is vastly better. He should not be judged by the number of hours he sits in the House listening to routine schedule and campaign vaporings, but rather let it be said of him, "He was always present at important lawmaking and voted right, and he heard and heeded and served the meritorious wants of his people." Do not measure me as a Representative by what I pretend, but by what I do; not by parade of promises, but by actual and earnest performances; and not by the limelight roll calls I answer, but by what I accomplish for my people and my country. [Applause.]

Mr. Speaker. I have now talked eight minutes, \$96 worth of time. [Applause.]

EMELINE E. PHELPS.

Mr. RUSSELL. Mr. Speaker. I ask unanimous consent to discharge the Committee on Invalid Pensions from further consideration of joint resolution 334, to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914, and to consider the same at this time.

The SPEAKER. The gentleman from Missouri asks unanimous consent to discharge the Committee on Invalid Pensions from the further consideration of House joint resolution 334, and consider the same at this time.

The Clerk will report the resolution.

The Clerk read as follows:

House joint resolution 334.

Whereas by clerical error in H. R. 13542, approved July 21, 1914, the military service of George M. Phelps was changed from Company I, Third Regiment Massachusetts Volunteer Heavy Artillery, to Company D, Third Regiment Massachusetts Volunteer Heavy Artillery: Therefore be it

Resolved, etc., That the paragraph in H. R. 13542, approved July 21, 1914 (Private, No. 88, 63d Cong.), granting an increase of pension to one Emeline E. Phelps be corrected and amended so as to read as follows:

"The name of Emeline E. Phelps, widow of George M. Phelps, late of Company I, Third Regiment Massachusetts Volunteer Heavy Artillery, and pay her a pension at the rate of \$20 per month in lieu of that she is now receiving."

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

JOINT SESSION OF SENATE AND HOUSE.

At 12 o'clock and 27 minutes p. m. the Doorkeeper announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.

The Senate, preceded by the Vice President and by their Secretary and Sergeant at Arms, entered the Chamber.

The Vice President took the chair at the right of the Speaker and the Members of the Senate took the seats reserved for them.

The SPEAKER. The Chair announces as the committee on the part of the House to wait upon the President Mr. UNDERWOOD, of Alabama; Mr. FITZGERALD, of New York; and Mr. MANN, of Illinois.

The VICE PRESIDENT announced as the committee on the part of the Senate Senators KERN of Indiana, CLARKE of Arkansas, and GALLINGER of New Hampshire.

At 12 o'clock and 32 minutes p. m. the President of the United States, attended by members of his Cabinet and escorted by the joint committee of Senators and Representatives, entered the Hall of the House, standing at the Clerk's desk, amid prolonged applause.

The SPEAKER. Gentlemen of the Sixty-third Congress, I present to you the President of the United States.

THE PRESIDENT'S ADDRESS—EMERGENCY WAR TAX (H. DOC. NO. 1157).

The PRESIDENT. Mr. Speaker, Mr. President, and gentlemen of the Congress, I come to you to-day to discharge a duty which I wish with all my heart I might have been spared; but it is a very clear duty, and therefore I perform it without hesi-

tation or apology. I come to ask very earnestly that additional revenue be provided for the Government.

During the month of August there was, as compared with the corresponding month of last year, a falling off of \$10,629,538 in the revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions. I need not tell you to what this falling off is due. It is due, in chief part, not to the reductions recently made in the customs duties but to the great decrease in importations, and that is due to the extraordinary extent of the industrial area affected by the present war in Europe. Conditions have arisen which no man foresaw; they affect the whole world of commerce and economic production, and they must be faced and dealt with.

It would be very unwise to postpone dealing with them. Delay in such a matter and in the particular circumstances in which we now find ourselves as a Nation might involve consequences of the most embarrassing and deplorable sort, for which I, for one, would not care to be responsible. It would be very dangerous in the present circumstances to create a moment's doubt as to the strength and sufficiency of the Treasury of the United States, its ability to assist, to steady, and sustain the financial operations of the country's business. If the Treasury is known, or even thought, to be weak, where will be our peace of mind? The whole industrial activity of the country would be chilled and demoralized. Just now the peculiarly difficult financial problems of the moment are being successfully dealt with, with great self-possession and good sense and very sound judgment; but they are only in process of being worked out. If the process of solution is to be completed, no one must be given reason to doubt the solidity and adequacy of the Treasury of the Government which stands behind the whole method by which our difficulties are being met and handled.

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately \$75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits; and yet, without additional revenue, that plainly might become necessary, and the time when it became necessary could not be controlled or determined by the convenience of the business of the country. It would have to be determined by the operations and necessities of the Treasury itself. Such risks are not necessary and ought not to be run. We can not too scrupulously or carefully safeguard a financial situation which is at best, while war continues in Europe, difficult and abnormal. Hesitation and delay are the worst forms of bad policy under such conditions.

And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people. To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. The country is able to pay any just and reasonable taxes without distress. And to every other form of borrowing, whether for long periods or for short, there is the same objection. These are not the circumstances, this is at this particular moment and in this particular exigency not the market, to borrow large sums of money. What we are seeking is to ease and assist every financial transaction, not to add a single additional embarrassment to the situation. The people of this country are both intelligent and profoundly patriotic. They are ready to meet the present conditions in the right way and to support the Government with generous self-denial. They know and understand, and will be intolerant only of those who dodge responsibility or are not frank with them.

The occasion is not of our own making. We had no part in making it. But it is here. It affects us as directly and palpably almost as if we were participants in the circumstances which gave rise to it. We must accept the inevitable with calm judgment and unruffled spirits, like men accustomed to deal with the unexpected, habituated to take care of themselves, masters of their own affairs and their own fortunes. We shall pay the bill, though we did not deliberately incur it.

In order to meet every demand upon the Treasury without delay or peradventure and in order to keep the Treasury strong, unquestionably strong, and strong throughout the present anxieties, I respectfully urge that an additional revenue of \$100,000,000 be raised through internal taxes devised in your wisdom.

to meet the emergency. The only suggestion I take the liberty of making is that such sources of revenue be chosen as will begin to yield at once and yield with a certain and constant flow.

I can not close without expressing the confidence with which I approach a Congress, with regard to this or any other matter, which has shown so untiring a devotion to public duty, which has responded to the needs of the Nation throughout a long season despite inevitable fatigue and personal sacrifice, and so large a proportion of whose Members have devoted their whole time and energy to the business of the country. [Prolonged applause.]

At 12 o'clock and 42 minutes p. m. the President and his Cabinet retired from the Hall of the House.

At 12 o'clock and 43 minutes p. m. the Vice President and Members of the Senate returned to their Chamber.

The SPEAKER. The Doorkeeper will close the doors. The address of the President is ordered printed and referred to the Committee on Ways and Means.

#### ORDER OF BUSINESS.

Mr. POUL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House for the consideration of bills on the Private Calendar.

Mr. MANN. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is that the House now resolve itself—

Mr. MANN. No; I think not. The regular order, if the Speaker will permit, is the disposition of two bills reported from the Committee of the Whole House on Friday with the recommendation that they do pass. One of these bills is put down on the calendar under the head of unfinished business, H. R. 8696, a bill for the relief of Nathaniel F. Cheairs. The other bill is not on the calendar as unfinished business. I do not recall who makes up the calendar, but it is done under the Clerk of the House; and under the head of unfinished business on the calendar, which has in it five items, there is one item omitted and two of the items named in the calendar are incorrect. I suggest it would be advisable for whoever makes up the calendar to see that it is made up correctly.

Mr. POUL. Mr. Speaker, will the gentleman yield?

Mr. MANN. Yes.

Mr. POUL. My information from the chairman of the Committee on War Claims is that there was no recommendation made in at least one case, the Cheairs case.

Mr. MANN. Well, I am sure the gentleman is mistaken about that. I do not think that item is incorrect; I think that is correctly stated, and it was pending in the House August 21, 1914. I think the Committee of the Whole House recommended that bill, and then we adjourned.

Mr. POUL. With the gentleman's permission, I will make this statement: It was my purpose, if I can have the attention of the gentleman from Illinois for just a moment, in the event that the House decided to resolve itself into the Committee of the Whole House for the consideration of bills on the Private Calendar, to ask unanimous consent that the calendar be taken up in its regular order, by unanimous consent, and after going through the calendar by unanimous consent, if there are any contested matters the House wishes to consider it could be done, and that request is in the interest of every Member of the House, and I hope the gentleman will not throw any obstacle in the way of the completion of the Private Calendar. I realize perfectly well that as a practical proposition the only bills which can get through by unanimous consent will probably be acted upon. I will say to the gentleman that I now make that request.

Mr. MANN. I shall not vote for the two bills that are reported, but it seems to me that the House having spent a day in the Committee of the Whole House and reported out this bill that it should be finally disposed of in the interest of orderly procedure.

Mr. POUL. Well, Mr. Speaker, I will ask unanimous consent that the House proceed to the consideration of bills on the Private Calendar by unanimous consent in the House as in the Committee of the Whole House.

The SPEAKER. The Chair would like to make a statement about it. Of course there may be an error, but the gentleman had the right to make the motion, and the Chair has been trying to find out whether any of these bills have been reported, and if so the first thing to do is to get rid of them.

Mr. MANN. Two bills were reported.

Mr. POUL. Even if that is true, could not the House by unanimous consent—

The SPEAKER. Oh, the House can do anything on top of the ground by unanimous consent.

Mr. McKELLAR. Mr. Speaker, reserving the right to object, will the gentleman yield? Where will we start; at the beginning?

Mr. POUL. Yes; that was the request I made.

The SPEAKER. Does the gentleman make that request to the exclusion of finishing the bill, if there is one?

Mr. POUL. Mr. Speaker, I ask unanimous consent that the House proceed now to consider bills on the Private Calendar in the House as in the Committee of the Whole House.

The SPEAKER. The gentleman from North Carolina [Mr. POU] asks unanimous consent that the House now proceed to consider bills on the Private Calendar by unanimous consent in the House as in the Committee of the Whole House. Is there objection?

Mr. PADGETT. Mr. Speaker, reserving the right to object, I notice the bill referred to as unfinished business, a bill introduced by me for the relief of Nathaniel F. Cheairs—I was absent that day, but I understand it was reported, and is before the House. Now, I want that disposed of it that is correct.

Mr. GREGG. It was not reported.

Mr. FOSTER. Mr. Speaker, I will say for the benefit of the gentleman from Tennessee that the RECORD of August 21 shows that the bill (H. R. 8696) to which the gentleman from Tennessee refers was reported by the Chairman of the Committee of the Whole House, that that committee had come to no resolution thereon, so it was not finished.

Mr. MANN. That report is incorrect. The chairman reported it with favorable recommendation.

Mr. FOSTER. I am just reading what the RECORD says.

Mr. MANN. The RECORD is very frequently mistaken.

Mr. FOSTER. The RECORD shows what I have said, and the gentleman from Texas says it was not reported.

Mr. GREGG. It was not reported.

Mr. PADGETT. What does the Journal show?

Mr. GREGG. We adjourned right at the end of the roll call and never reported it.

The SPEAKER. Here is the RECORD:

Mr. GREGG. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BARNHART, Chairman of the Committee of the Whole House, reported that that committee had had under consideration bills on the Private Calendar, and particularly the bill (H. R. 8696) for the relief of Nathaniel F. Cheairs, and had come to no resolution thereon.

And then occurred the following:

Mr. GREGG. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House for the further consideration of the bill H. R. 8696, and that the debate be limited to two minutes.

Mr. MANN. Those are two separate motions. I make the point of order, Mr. Speaker, that a Member can not do that in one motion. I make the point of order that that motion as one motion is not in order. The SPEAKER. The Chair thinks that the gentleman from Illinois is correct.

Mr. MANN. There is no doubt about that.

The SPEAKER. The gentleman from Texas [Mr. GREGG] moves in the first instance that the House resolve itself into Committee of the Whole House for the further consideration of the bill H. R. 8696, and, pending that, he moves that general debate be limited to two minutes.

Mr. MANN. I move to amend the last motion by making it two hours.

The SPEAKER. The gentleman from Illinois [Mr. MANN] moves to amend the last motion by making it two hours. The question is on agreeing to the motion to amend.

The question was taken, and the Speaker announced that the yeas seemed to have it.

Mr. MANN. Mr. Speaker, I ask for a division.

The SPEAKER. A division is demanded. Those in favor of the motion of the gentleman from Illinois will rise and stand until they are counted. [After counting.] Eighteen gentlemen have risen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Twenty-three gentlemen have risen in the negative.

Then there was a roll call on the motion to amend, and the amendment was lost.

Mr. MANN. Mr. Speaker, it is very plain that I was mistaken. I was misled by the calendar.

The SPEAKER. The calendar ought to be corrected. The gentleman from North Carolina [Mr. POU] asks unanimous consent that bills on the Private Calendar shall be considered by unanimous consent in the House as in the Committee of the Whole.

Mr. GOLDFOGLE. Mr. Speaker, reserving the right to object, I desire to ask the gentleman from North Carolina whether it is his purpose to call up or have considered only such bills on the Private Calendar as are not objected to?

Mr. POUL. The purpose of the request, I will say to the gentleman from New York, is to go over the calendar first by unanimous consent, beginning at the beginning.

Mr. GOLDFOGLE. That means the unobjected-to bills?

Mr. POUL. Yes. My information is there are quite a number of bills to which there probably will be no objection. After finishing the calendar by unanimous consent, we will go back to the beginning and then take up the bills that are contested.



Mr. GOLDFOGLE. The difficulty, however, is this: We have gone through the performance three or four times—

Mr. POU. Only once.

Mr. GOLDFOGLE. Oh, no; several times, to my recollection, of considering the unobjected-to bills, and then it depended upon either the judgment or the caprice or the whim of some one Member of the House as to whether a bill should be considered or not. When a bill was objected to, of course, that was the end of it. There was always the promise somewhere made that after the bills unobjected to should be finished up then we would consider such bills as would not be objected to. In other words, the unobjected-to bills could then be considered as other bills are considered in the House, namely, after discussion a vote could be had thereon. Now, we have never been able up to the present time to have a single, solitary bill upon the Private Calendar, especially a claims bill, considered where there was a single objection made to the bill, however meritorious that bill may be.

Now, I ask the gentleman from North Carolina whether, in view of that situation—and I think I have stated the situation fairly and accurately—he thinks we ought to go through the same performance, only to find that a few bills will be passed through means of not being objected to by anyone, and then go away again without giving opportunity to the Members to have their unobjected-to bills considered upon their merits?

Mr. POU. I will say to the gentleman from New York that the Private Calendar has been called only once by unanimous consent. The error that the gentleman falls into is this: There have been two days on which the calendar has been considered, or probably two days and part of a third.

Mr. GOLDFOGLE. Were there not two night sessions at which the same performance was gone through?

Mr. POU. We begin at the beginning, and the following day we would begin at the point where we left off; so that the calendar has been called just once.

Mr. GOLDFOGLE. May I suggest to the gentleman from North Carolina at this point that on the second occasion when the Private Calendar was taken up for the consideration of unobjected-to bills we went back, and the same bills were taken up again and objection was again made by some individual Members and the bills passed over. Such proceeding works gross injustice to honest claimants whose claims are worthy and meritorious but who are unfortunate to be met with a single objection.

Mr. POU. That probably is true as to a small part of the calendar; but the result of dealing with the calendar in the way indicated, by unanimous consent, has been that something like 120 bills have been passed—quite a large number. Now, the gentleman knows that if we begin at the beginning of the calendar and take up these bills in the usual way we may pass one, possibly two; but in the way I suggest there will probably be quite a number of bills that will be passed by the House.

Mr. GARNER. Will the gentleman yield?

Mr. POU. I will.

Mr. GARNER. I happened not to be in the Chamber when the gentleman made his first statement. It is proposed to begin at the beginning of the calendar at this time and call them up by unanimous consent?

Mr. POU. That is the request I made. I think the request will bring about action on the greatest number of bills. Of course, I have no personal interest in the matter at all. I am trying to reduce the calendar as best we can, and it seems to me that is the best way to do so.

Mr. GOLDFOGLE. I did not understand the answer made by the gentleman from North Carolina [Mr. POU] to the gentleman from Texas [Mr. GARNER] when the gentleman from Texas interrupted him. Do I understand that it is the purpose now to take up by unanimous consent the consideration of the bills on the Private Calendar, including all the bills that were heretofore objected to?

Mr. POU. It is the purpose to begin at the beginning. That is the request I made—to start at the beginning.

The SPEAKER. Is there objection?

Mr. ALLEN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Ohio [Mr. ALLEN] objects; and the gentleman from North Carolina [Mr. POU]—

FLORINE A. ALBRIGHT.

Mr. MANN. Mr. Speaker, I ask for the regular order. There is a bill on the calendar which was reported favorably from the Committee on War Claims, namely, the Albright bill, although we lost sight of it on the calendar.

The SPEAKER. The Clerk will report the bill, whatever it is, that was reported from the committee favorably. Will the gen-

tleman from Illinois inform the clerks and the Speaker and everybody else just what bill it is?

Mr. MANN. It is the Albright bill—H. R. 6880—No. 47 on the Private Calendar. It is still on the Private Calendar, where it does not belong. It ought to be on the Calendar for Unfinished Business.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 6880) to carry out the findings of the Court of Claims in the case of Florine A. Albright.

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, directed to pay, out of any money in the Treasury not otherwise appropriated, to Florine A. Albright the sum of \$14,640, in full compensation for stores and supplies taken by the United States Army during the Civil War, and reported by the Court of Claims in Senate Document No. 466, Fifty-ninth Congress, first session.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is, Shall the bill pass?

Mr. MANN. Mr. Speaker, this is a bill which was discussed at considerable length in the Committee of the Whole. I fear that most of the Members may have forgotten the circumstances of the bill. I do not desire to detain the House except for a moment, to recall to the Members of the House what the controversy was in regard to the bill.

The Court of Claims found that the claimant's decedent was not loyal to the Government of the United States throughout the Civil War, and it was proposed by the committee practically to set aside those findings and to pay the claim, notwithstanding the fact that the claimant was not loyal, thus opening up a line of claims which involve many millions, if not hundreds of millions, of dollars.

Of course, if the majority side of the House want to say that they propose to pay claims of persons who were disloyal during the Civil War, then they have that power.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Illinois [Mr. MANN] reserves the balance of his time. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the yeas seemed to have it.

Mr. GREGG. Mr. Speaker, I demand a division.

The SPEAKER. The gentleman from Texas [Mr. GREGG] demands a division. Those in favor of the passage of the bill will rise and stand until they are counted. [After counting.] Twenty-nine gentlemen have arisen in the affirmative. Those opposed will rise. [After counting.] Forty-seven gentlemen have arisen in the negative. On this vote the yeas are 29 and the noes are 47.

Mr. GREGG. Tellers, Mr. Speaker.

The SPEAKER. The gentleman from Texas demands tellers. Those in favor of taking this vote by tellers will rise and stand until they are counted. [After counting.] Twenty-seven gentlemen have arisen—not enough.

Mr. POU. Mr. Speaker—

The SPEAKER. Tellers are refused, and the bill is lost.

On motion of Mr. MANN, a motion to reconsider the vote by which the bill was defeated was laid on the table.

#### PRIVATE CALENDAR.

Mr. POU. Mr. Speaker, I move that the House resolve itself into Committee of the Whole for the consideration of bills on the Private Calendar.

The SPEAKER. The gentleman from North Carolina [Mr. POU] moves that the House resolve itself into Committee of the Whole for the consideration of bills on the Private Calendar. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Chair appoints the gentleman from Kentucky [Mr. JOHNSON] as Chairman.

Thereupon the House resolved itself into Committee of the Whole House for the consideration of bills on the Private Calendar, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House for the purpose of considering bills on the Private Calendar.

Mr. POU. Mr. Chairman, under the rule, as I construe it, the committee will proceed with the consideration of bills reported from the Committee on Claims, will it not? I make that as a parliamentary inquiry.

Mr. ALLEN. Mr. Chairman—

Mr. MANN. Mr. Chairman, this is one of the days set aside either for claims or war claims, alternating, and the last day devoted to the Private Calendar was used in the consideration

of war-claims bills, so that this is purely for the consideration of bills reported from the Committee on Claims.

The CHAIRMAN. The gentleman from North Carolina moved that the House resolve itself into Committee of the Whole for the consideration of bills on the Private Calendar.

Mr. MANN. That is under the rule. The rule provides for that.

Mr. POU. Under the rule claims bills have the preference.

The CHAIRMAN. Yes; under the rule claims bills have the preference.

Mr. ALLEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ALLEN. Under the rules, when will other bills on the Private Calendar probably be considered?

The CHAIRMAN. The Chair would not like to answer the question. Perhaps the present occupant of the chair will not be in the chair then.

Mr. ALLEN. I would like to make inquiry as to when the Private Calendar would be reached under the rule.

The CHAIRMAN. The Chair has no more information upon that subject than the gentleman from Ohio has.

Mr. POU. Mr. Chairman, I ask unanimous consent that the committee proceed with the call of bills reported from the Committee on Claims first by unanimous consent.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

#### THE SNARE & TRIEST CO.

The first business in order on the Private Calendar was the bill (S. 1269) for the relief of the Snare & Triest Co.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the claim of the Snare & Triest Co. for reimbursement for all losses to them, including damages to pier growing out of a collision by the U. S. S. *Colorado* on the night of February 9, 1905, at League Island Navy Yard, be, and the same is hereby, referred to the Court of Claims, with jurisdiction to hear and determine the same to judgment: *Provided,* That the petition is filed within six months from the date of this act.

The CHAIRMAN. Is there objection?

Mr. MANN. Mr. Chairman, a few years ago we passed a private bill for the relief of the Snare & Triest Co., that bill being undoubtedly drawn by their own attorney. I think we passed it without amendment and gave them the relief that they asked for. Then they discovered that it did not cover all the claims which they had. Does my friend from North Carolina think it is desirable to permit the practice, where somebody has claims against the Government, all growing out of one transaction, of presenting a bill for the payment of a part of those claims, and then, having secured that, present another bill for the payment of the other part of the claims, and then having secured that perhaps present another bill for the payment of still further parts of the claims?

Mr. POU. I will say to the gentleman that that is, of course, an unusual procedure, and the committee would not have favored this bill but for the fact that these people claim that by a pure oversight or technical error the word "pier" was left out. If the Government is liable for the injury of these people's property, and by a pure oversight one word was left out of the bill, it seems to me that this bill ought to pass.

Mr. MANN. Of course the Government is not liable, to begin with.

Mr. POU. I mean morally. I do not mean legally.

Mr. MANN. But assuming that it is liable, if this company had employed an attorney to bring this suit in court, and he had filed his declaration, or such other paper as may be provided in the different States, and had secured a judgment upon that, they could not have gone back and amended the pleadings after the judgment was secured and the money paid. But that is what they seek to do when they come to Congress. Then everybody says that Congress is a slow paymaster. They would never have dreamed of making a second claim if they had had a suit in court.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. POU. I move that the bill be laid aside, to be reported to the House with a favorable recommendation.

The motion was agreed to.

#### EDWARD WILLIAM BAILEY.

The next business in order on the Private Calendar was the bill (H. R. 5832) for the relief of Edward William Bailey.

The Clerk read the title of the bill.

Mr. POU. Mr. Chairman, the Senate has passed this bill, and I ask unanimous consent that the Senate bill be considered in place of the House bill.

The CHAIRMAN. If there be no objection, the Clerk will report the Senate bill.

Mr. MANN. Let us know more about it. I have no objection to the Senate bill being read, to see if there be objection.

Mr. POU. That is all I ask.

The CHAIRMAN. The Chair does not hold that the right to object has been waived. By unanimous consent, the Clerk will report the Senate bill instead of reporting the House bill, and the right to object to the consideration of it remains to any Member.

The Clerk read the bill (S. 1270) for the relief of Edward William Bailey, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed, out of any money in the United States Treasury not otherwise appropriated, to pay to Edward William Bailey, of Portsmouth, Va., the sum of \$1,500 for injuries resulting from the total loss of one eye and the serious impairment of the other eye, caused by a wound received by him at the hands of a target party of United States sailors and marines, while engaged at target practice at St. Helena, near Norfolk, Va., on or about November 7, A. D. 1890.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, this injury occurred in 1890. I objected to the bill before because it goes back so far. But it is claimed, and I believe correctly, that the claimant had a bill introduced in Congress shortly after the injury; and while it was not then the practice of Congress to pay for any of these injuries, I do not believe I shall object now, although I do not know what will become of us if we start in to pay for all the injuries which have happened at any time to persons injured through governmental agencies, it being now the policy to pay for such injuries, and five or six years ago not being the policy to pay. Here we date back 24 years. Next we may go back 54 years. It is an easy matter to say we will pay money out of the Treasury, but I apprehend that within the next month it will not be so easy a matter to determine just how we have got to pay money into the Treasury before it can be paid out; and gentlemen passing upon these claims must remember that every dollar appropriated for these bills will have to be raised by levying additional taxes upon the people of the country over and above the taxes which are now levied. In order to pay these claims you have got to put your hands into the pockets of somebody in the country and take the money away from them.

Mr. POU. Mr. Chairman, what the gentleman from Illinois [Mr. MANN] says is very true; but I want to say that the Committee on Claims has been very careful in reporting these matters; and while the House has passed at this session an unusually large number of bills, the sum total of all those bills is surprisingly small. I have not the exact figures. I am having them prepared, but the entire sum of money carried by all of these more than 100 bills which we have passed will not, I predict, very much exceed the sum of \$225,000.

Mr. MANN. But \$225,000 does not grow on every tree, or in everybody's pocket. I would like to say that I think the Committee on Claims have done very careful work in this Congress, and I compliment the gentleman from North Carolina [Mr. POU], the chairman of that committee, and the other members of that committee. And yet we all know that if a Member of Congress has a private bill and is active enough about it, and keeps at it, keeps interviewing the members of the committee, in time he finally gets his bill reported, it makes very little difference what the merits of it are. Of course it takes a great deal more energy sometimes to get a bad bill reported than it does to get a good bill reported.

Mr. PAYNE. I do not know about that.

Mr. MANN. I do not class this as a bad bill. I would like to ask the gentleman, of the \$1,500 which it is proposed to pay to this man, how much of it will go for an attorney's fee?

Mr. POU. I am assured by the gentleman from Virginia [Mr. HOLLAND] that so far as he knows none of this money will go for an attorney's fee.

Mr. MANN. Oh, the gentleman from Virginia will certainly not give that assurance, because the claimant in this case has frequently referred to the fact that he has an attorney in the city of Washington looking after his claim. I have had communications, both from the claimant and from his attorney.

Mr. HOLLAND. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. HOLLAND. Of course I would not undertake to give that assurance, but I have no objection to an amendment—

Mr. MANN. I have no amendment. I have no doubt the claimant has an arrangement with the attorney. I thought perhaps we ought to know what it was.

The CHAIRMAN. The question is, Shall the bill be laid aside to be reported to the House with a favorable recommendation?

The bill was ordered to be laid aside to be reported to the House with a favorable recommendation.



By unanimous consent, the corresponding House bill (H. R. 5332) was ordered to be laid aside to be reported to the House with the recommendation that it lie on the table.

EMILY SCOTT LAND.

The next business on the Private Calendar was the bill (H. R. 1366) for the relief of Emily Scott Land.

The Clerk read the bill at length.

The CHAIRMAN. Is there objection?

Mr. MANN. I object.

MARIAN B. PATTERSON.

The next business in order on the Private Calendar was the bill (H. R. 296) for the relief of Marian B. Patterson.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Marian B. Patterson, of Shelby County, Tenn., the sum of \$20,963, in full compensation for claims on account of the losses or reductions in salary and allowances for rent and clerk hire sustained by her late husband, Brig. Gen. R. F. Patterson, from January 1, 1898, to May 28, 1906, during which time he was United States consul general at Calcutta, India, through the method of settlement adopted by the United States Government in connection with the fluctuation in the value of the Indian rupee.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, if unanimous consent is given for the consideration of this bill, I suppose there will be no objection to my discussing it for about an hour. I think if I can have that time there will be nothing left of the bill, but perhaps I am mistaken.

Mr. FOSTER. Does the gentleman think it will take an hour?

Mr. MANN. I have a large number of documents, including one adverse report made by the gentleman from Missouri [Mr. SHACKLEFORD], and several adverse reports made by the Treasury Department, which I think ought to be fully presented to the House on a proposition to pay \$20,000 to the claimant based on the idea that the payments were in silver and only worth 49 cents on the dollar.

Mr. CULLOP. Mr. Chairman, as I think the gentleman from Illinois has produced ample proof as to why the bill should not be passed, and relying on his statements, I shall object.

The CHAIRMAN. Objection is made by the gentleman from Indiana.

W. W. BLOOD.

The next business in order on the Private Calendar was the bill (H. R. 1515) for the relief of W. W. Blood.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to W. W. Blood, of Greenville, Plumas County, Cal., the sum of \$439.09, in full payment for all work and labor done and performed by him for the Government of the United States or its official representatives at the Indian school near Greenville, Indian Valley, Plumas County, Cal., during the year 1907.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Mr. Chairman, reserving the right to object, when I read the report on the bill I had difficulty in finding any reason why if this contractor, Mr. Blood, had a meritorious claim for work performed for the Interior Department he was not paid at the time. There are letters here which state that his work was performed and that it was satisfactory. I can find no reference anywhere to any excuse given for his not having been paid by the Bureau of Indian Affairs.

Mr. POUL. This claim is for extra work. The department did not have the authority to pay it. I am informed by the gentleman from California [Mr. RAKER], who has read the report more carefully than I have, that it shows it was for extra work, and for that reason the department did not have authority to pay him.

Mr. STAFFORD. There is nothing in the report that shows it was for extra work.

Mr. CULLOP. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. CULLOP. Who authorized the claimant to do the extra work?

Mr. STAFFORD. There is nothing to show that it is extra work.

Mr. CULLOP. If he volunteered to do the work without any authority whatever, he ought not to come to Congress and ask to be paid for it.

Mr. STAFFORD. That is the idea I had. If it was extra work performed without authorization he ought not to receive compensation.

Mr. RAKER. Mr. Chairman, I want to call the gentleman's attention to the facts, speaking from the report. It will be noted that the contract was completed and that there was a surplus of money out of that authorized for the construction of this building near Greenville, known as the Greenville Indian School. The surplus money was returned to the Treasury. The gentleman will note that on the first part of the bill—\$109.09 that was actually furnished—the work was performed and the bill was moved, which had nothing to do with the contract, at the request of those interested. They will also note that on the second section, page 3 of the report, the contract was completed.

Mr. STAFFORD. Why did he not receive the pay for it, if the contract was completed?

Mr. RAKER. They raised the dam because the superintendent wanted it, and they put in an extra pipe to connect with it, and the report shows that that was necessary. Now, I have been at this place many times, and I know the work and I know the superintendent. I am personally familiar with this man's claim. He has performed the labor and furnished the material, and the department says that it is an equitable claim and ought to be allowed. This bill passed twice in the Sixty-second Congress.

Mr. STAFFORD. Passed twice in the same Congress?

Mr. RAKER. Yes; it went through in an omnibus bill, and when it got into the Senate all claims of that character were taken off because it was attached to an omnibus bill containing war claims. Then it came back to the House and was passed the second time, but that session of Congress expired before it finally got through. Now there is a new Secretary of the Interior and a new Commissioner of Indian Affairs, and they have again investigated it and indorsed it.

Mr. STAFFORD. And yet the gentleman has stated no reason for this man not having received payment from the Bureau of Indian Affairs.

Mr. RAKER. I have stated it here, and it is plain in the report.

Mr. STAFFORD. It is not plain in the report why it was not paid.

Mr. RAKER. Of course I realize that the gentleman can object.

Mr. STAFFORD. I am not objecting; I am awaiting information.

Mr. RAKER. Let me make a statement.

Mr. STAFFORD. The gentleman has been talking five minutes, and he has not explained it yet.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Reserving the right to object, unless the chairman or some gentleman can explain why this man was not paid in the usual course I shall object.

Mr. RAKER. Let me say that on page 5 of the report, or commencing on page 4 and continuing on page 5, is this letter:

DEPARTMENT OF THE INTERIOR,  
Washington, July 31, 1913.

Hon. EDWARD POUL,  
House of Representatives.

My DEAR MR. POUL: I am in receipt of a letter, dated May 9, 1913, from Hon. JOHN E. RAKER, inclosing a copy of H. R. 1515, being a bill for the relief of W. W. Blood, with the request that a report be made thereon to the Committee on Claims of the House of Representatives.

This claim is for work done and material furnished at the Greenville Indian School, Cal., in the year 1907, under an informal agreement between the claimant and the superintendent of the school, concerning which a controversy arose between them.

A supervisor in the Indian Service, after investigation, reported November 30, 1909, that the claimant actually furnished material and performed work to the value of \$439.09, the sum proposed to be paid by this bill. A copy of this report is inclosed for your information. (See Rept. 1309, supra.)

January 28, 1910, the Indian Office wrote Mr. Blood as follows:

"The office has received a report from Harwood Hall, supervisor of Indian schools, relative to your claims of \$330 and \$109.09 for materials and labor furnished the Greenville school, California, during the fiscal year 1907.

"You are advised that inasmuch as the balance of the fund from which these expenditures are payable, viz., 'Indian school buildings, 1907,' has been returned to the Treasury, this office is not in a position to approve your claims. Therefore the only recourse you have in the matter is by congressional action."

Reporting upon a similar bill, H. R. 12502, this department recommended August 9, 1911, that it receive favorable consideration. (Copy inclosed.)

It appears that Mr. Blood has an equitable claim for work and material furnished, which can not be paid without authority from Congress, because the unexpended balance of the appropriation which might have been used has been covered into the Treasury under the provisions of section 3690, Revised Statutes.

Very truly, yours,

A. A. JONES, Acting Secretary.

Mr. STAFFORD. In all fairness to the gentleman I wish to say to him that I have read that part, and yet there is nothing in the portion which the gentleman has read which gives the

reason why this claimant was not paid before the money was turned back into the Treasury.

Mr. RAKER. His work was not done, just as in the Fort Bidwell school. Forty thousand dollars was appropriated, and they used only \$10,000, but have made a contract for the balance, and they could not go on, they could not move the lumber, they could not cover the trenches, and there was \$12,000 that had been converted into the Treasury fund, and we had to come back to Congress to get the balance of the money to complete the work. The same condition exists here.

Mr. STAFFORD. Mr. Chairman, if I am not mistaken, money appropriated for any certain work is available for two years after the completion of the contract.

Mr. RAKER. Not in these Indian contracts. It never has been. After a certain length of time it goes into the Treasury, after the fiscal year.

Mr. STAFFORD. I was under the impression that money when appropriated for any specific work remained available until two years after the completion of the work.

Mr. MANN. Not necessarily; but in this case somebody is a dunce—I do not know who it is—either a dunce, or he has not made a correct statement of facts. The Assistant Secretary of the Interior stated in his letter, which is in the report:

It appears that Mr. Blood has an equitable claim for work and material furnished, which can not be paid without authority from Congress, because the unexpended balance of the appropriation which might have been used has been covered into the Treasury under the provisions of section 3690, Revised Statutes.

If that is the reason that the man can not be paid, it is a silly reason. Any audited claim of the Government will be paid, notwithstanding there is no appropriation with which to pay it, or notwithstanding the appropriation has lapsed, because every year in the deficiency bill we appropriate for a great many items for years back—not infrequently as many as 10 years back—and where the claim is audited we appropriate for it in the deficiency bill, because the money originally appropriated has been covered into the Treasury. If this man had a real claim against the Government, which the department could allow, they should have allowed the claim, and the claim would have been audited by the auditor and transmitted to Congress as a deficiency appropriation, and the appropriation, as a matter of course, would have been made without contest or question.

Mr. CULLOP. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. CULLOP. Would it not have been the duty of the department to report that as one of the claims to be paid in the deficiency appropriation bill if it was a legal and valid claim?

Mr. MANN. The Treasury Department would report that, and would undoubtedly report it, if they had a legal claim which was audited. If a man has a legal claim against the Government, the fact that there is no appropriation with which to pay it does not affect the auditing of the claim.

Mr. RAKER. But suppose even this is not done just according to the legal way—

Mr. MANN. Oh, the claimant is probably not to be blamed for that. I am not disposed to criticize the claimant, but I doubt whether the statement of the Acting Secretary, Mr. A. A. Jones, is correct.

Mr. RAKER. Mr. Chairman, I appeared at the Department of the Interior, in the Indian Office, and they advised me this is a just claim as reported here, and this is the report they made upon it, and I thought it was sufficient.

Mr. MANN. The gentleman has been in the House for some time, and is an active Member of the House. He knows that when somebody presents a claim to Congress the presumption is that he has not a legal claim against the Government, and that it is rather a long-winded process to put a claim through Congress. Why should a department ask to have a claim passed by a private bill which they can O. K. through an auditor and have it allowed and paid as a matter of course?

Mr. RAKER. I took it for granted the claim was just and equitable, knowing the parties as I do, and seeing all of the departments I could see, and taking every precaution possible, and knowing the man ought to have his money. I felt that I had done everything that could be done.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Certainly.

Mr. MOORE. Is this a balance on a contract?

Mr. RAKER. No; it is for extra work done.

Mr. MOORE. In excess of the contract?

Mr. RAKER. In excess of the contract.

Mr. MOORE. And the money was refunded to the Treasury of the United States?

Mr. RAKER. Yes; and there was nothing with which to pay it.

Mr. MOORE. And the claimant alleges that the money is due him for extra work in excess of the contract, the money having been provided, but having been refunded to the Treasury?

Mr. RAKER. Yes; and there is an affidavit of the man and others familiar with the facts.

Mr. MOORE. And the department states that if there is equity here, and it feels there is an equity, then the only recourse is for the claimant to come to Congress?

Mr. RAKER. That is the statement.

Mr. MOORE. It seems to me that is what has not been brought out.

The CHAIRMAN. Is there objection?

Mr. CULLOP. Mr. Chairman, I object.

MOSES M. BANE.

The next business in order on the Private Calendar was the bill (H. R. 7553) for the relief of the estate of Moses M. Bane. The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, directed to pay to the estate of Moses M. Bane, deceased, who was receiver of public moneys for the Territory of Utah, and paid office rent at Salt Lake City for the years 1877 and 1878 and for the first quarter of the years 1878 and 1879, the sum of \$1,080, out of any money in the Treasury not otherwise appropriated, the said sum for office rent having been advanced by the officer out of his private means.

The CHAIRMAN. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, I would like to ask something about this. I have objected to this bill before upon this calendar and in previous Congresses. It is a claim of a former receiver of public moneys under a former régime, when the Democratic Party had control of the House and cut down appropriations so that they could not give the receiver rent money. We passed a bill the other day very similar to this in which it appeared that in a number of these cases the Court of Claims, where the claim had been filed in the Court of Claims, had held that the receiver or the registrar, although not allowed money for the rent by the Interior Department, the Land Office was still entitled to bring a claim against the Government for the rent paid. That is my recollection of it. Does the gentleman recollect about that matter?

Mr. POUL. I will say to the gentleman that I do not recollect. This report was made by the gentleman from Illinois. I know nothing about it except what appears in the report here.

Mr. CULLOP. Will the gentleman permit? The gentleman from Illinois has been quite sick for more than a week, and he is barely able now to be out and is not able to attend the sessions of the House.

Mr. MANN. That is the gentleman from Illinois [Mr. FOWLER], who introduced the bill. My colleague from Illinois [Mr. HILL] made the report. They may not have been informed in reference to that matter.

Mr. CULLOP. I wanted to say that as justification for Mr. FOWLER's absence.

Mr. MANN. I understand. My recollection is that we paid a claim the other day or very recently—

Mr. POUL. We paid a similar claim in the case of Waldo M. Potter.

Mr. MANN. From the report in that case, it says that the Court of Claims have decided that in similar cases brought before the Court of Claims that the receiver or registrar could recover judgment against the Government for a reasonable rent paid. Now, of course, if that is the case, I have no desire to stand in the way of doing the same thing in this case. We did that a few days ago, though I suppose that 20 years from now or more, when they have a future Democratic Congress—it will probably be that long before they have one—

Mr. FOSTER. Oh, no.

Mr. MANN (continuing). They will be reporting in claims where this Congress had refused to make the appropriation and the Democratic officeholders had gone ahead and expended the money and then made a claim against the Government. That is this case.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be laid aside to be reported to the House with a favorable recommendation.

SAMUEL HENSON.

The next business in order on the Private Calendar was the bill (S. 1171) for the relief of Samuel Henson.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Samuel Henson, out of any money in the Treasury not otherwise appropriated, the sum of



\$1,000, as compensation for injuries received while employed under the Superintendent of the United States Capitol on the 19th day of September, 1911.

The CHAIRMAN. Is there objection to laying the bill aside with a favorable recommendation?

Mr. CULLOP. Mr. Chairman, I would like to ask the chairman to give the circumstances under which the liability was created in this case. I would like to know something more about the bill.

Mr. POUL. Mr. Chairman, this man, according to my information, sustained a very severe injury to his foot in one of the Senate elevators. The Senate committee investigated the matter and made a report, which was adopted by the House committee. They found that this injury occurred without negligence on the part of this claimant.

Mr. CULLOP. What did this claimant have to do with the elevator?

Mr. POUL. The claimant is in the employ of the Government, and my information is that he was using it in the regular discharge of his duties.

Mr. CULLOP. Operating it or riding in it as a passenger?

Mr. POUL. I do not think he was operating it; he was not an elevator operator himself.

Mr. CULLOP. What line of work was he engaged in for the Government?

Mr. POUL. He is a plasterer; that is my information.

The CHAIRMAN. Is there objection to laying the bill aside with a favorable recommendation?

Mr. CULLOP. Providing we can have this open to amendment; but so far as anything I have seen or heard here, there is nothing given as to why an appropriation should be made of \$1,000 for this injury. Whether his injuries were serious or not—

Mr. STAFFORD. Maybe I can inform the gentleman—

Mr. MANN. My friend from Indiana knows this man lost part of his heel; that the skin was taken off his heel.

Mr. STAFFORD. I may be able to give the gentleman the information he seeks.

Mr. MANN. Whether it was \$1,000 worth is another proposition. I do not know if it was or not.

Mr. STAFFORD. I will say to the gentleman from Indiana, as shown by the report, he was employed and had been employed for years by Mr. Elliott Woods in connection with repair work about the Capitol at a salary of \$4 a day. He was in a Senate elevator when his attention was taken away momentarily—

Mr. POUL. Here is part of the physician's certificate—

Mr. STAFFORD (continuing). His attention was taken away momentarily by a collaborer and he slipped and his heel just caught between the elevator and the pavement and it tore off his whole heel. He put in a claim with the Secretary of Commerce under the general law, and the Secretary of Commerce held that he did not bring himself within that law, but the committee recommended that he should have the same benefit that he would had he come under that law.

Mr. POUL. The physician reports that his heel was torn off completely and he is unable to walk without crutches at the present date.

Mr. CULLOP. I shall urge no objection; I see the injury was serious, and I have obtained the information I desired.

The CHAIRMAN. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, how long was this man kept from the performance of his duties?

Mr. CULLOP. The report of the physician, if the gentleman from Illinois will permit, says that he is unable to walk yet without crutches.

Mr. MANN. Well, he was able to work and draw his pay all the time, so far as that is concerned, and was kept away from his work from September 19 to December 7, 1911.

Mr. STAFFORD. He was confined in the hospital for something like six weeks.

Mr. POUL. He was confined to his bed, so the report states, for seven weeks, and he is yet unable to walk without crutches. If the gentleman will yield, my information is that this man has been going to the hospital twice a week up to the present time.

Mr. MANN. For what?

Mr. POUL. For the treatment of this injury. That is the information that the committee has.

Mr. MANN. I will not say how often he goes to the hospital. He may go every day, for all I know, but he does not need to do so. He was absent from work from September 19 for a little over two months. Nobody would think of paying him a thousand dollars for that much time. He was a Senate employee.

The CHAIRMAN. Is there objection to laying the bill aside with a favorable recommendation?

There was no objection.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. PAGE of North Carolina having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed the following resolution:

*Resolved*, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 4517) to establish a standard box for apples, and for other purposes.

The message also announced that the President had approved and signed bill of the following title:

September 2, 1914:

S. 6357. An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department.

ELLIS P. GARTON, ADMINISTRATOR.

The committee resumed its session.

The next business in order on the Private Calendar was the bill (H. R. 9092) for the relief of Ellis P. Garton, administrator of the estate of H. B. Garton, deceased.

The bill was read, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the Court of Claims to rehear, retry, determine, and finally adjudicate the claim of Ellis P. Garton, administrator of the estate of H. B. Garton, deceased, No. 70075, Indian depredations, in the Court of Claims, and to award judgment therein as fully and completely as if the petition had not been dismissed. Full jurisdiction and power is hereby given to the Court of Claims to rehear and retry said claim upon all evidence that has been or may be presented upon a hearing in said case.

The CHAIRMAN. Is there objection to laying the bill aside with a favorable recommendation?

Mr. MANN. Mr. Chairman, reserving the right to object, there are a whole lot of those Indian depredation cases. A year or so ago we had a contest here in the House over the matter of passing a general bill to practically revive all these Indian depredation cases, which would involve the payment of several million dollars. The House after debate and consideration defeated that bill. Recently, I believe, the Committee on Indian Affairs reported substantially the same bill, although I am not sure whether it has been reported or not. In the Senate, I believe, they have passed a bill authorizing these claims to be tried in the Court of Claims, where they were defeated before for want of citizenship. Under the law the claimant must prove that he was an American citizen; and a foreigner who went into the Indian country and sustained loss could make no claim. Well, there were a number of cases where people supposed that they were American citizens, some where they had been naturalized by courts which did not have the jurisdiction to naturalize them, and other reasons. Now, just what is going to be done with that bill I do not know. It involves several hundred thousand dollars. I am not sure how far we ought to go in the payment of these private claims, where they have been thrown out of court.

Mr. CULLOP. Mr. Chairman, this is a proposition to submit a case to the Court of Claims with power to hear not only the facts but to render such a judgment as the facts may warrant in the case, either for the claimant or the Government.

Now, I would like to ask the gentleman from Illinois [Mr. MANN] this question: Does he not think that it would be better if Congress would pass a law referring all claims to some court to be tried and determined instead of coming to Congress and having them passed in this way, where, as here, only one side of the case is heard? If a resort was made to the court both sides would be heard, and the Government would look up the proof in behalf of the Government and the individual would look up the proof in his own behalf, and thereby you could reach the merits of the claim. But it certainly must be patent to everyone that is disposing of claims in this way we are not always reaching the merits of the claim and having them determined according to the merits. Now, does not the gentleman from Illinois think it would be wise to have some law passed in which all claimants would have to resort to some court in order to have the claim determined before an appropriation should be made for it? Would not such a way be fair and just to all parties concerned?

Mr. MANN. We have a law.

Mr. CULLOP. We have not a law under which they could go and sue the United States.

Mr. MANN. We have a law which covers this case. Now, of course, it would be desirable, if it were possible, to appoint somebody—a commission or otherwise—that may hear all claims against the Government. I think we will do that some time. But the trouble about it up to date is that when we pass a law and they take claims before a court or other body that can act upon it and they do not have the claim allowed, then they will still come to Congress, and Congress has not the power to say that a future Congress shall not entertain a claim against the Government.

Mr. GARNER. Will the gentleman yield?

Mr. MANN. I yield.

Mr. GARNER. As to the gentleman's remarks a few moments ago in regard to the status of legislation that was defeated in the last Congress, in which an effort was made to revive certain rights of Indian depredation claimants, I recall very distinctly that bill; and I think the bill reported by the Indian Affairs Committee and now on the calendar is virtually the same bill that was defeated in the House by the gentleman from Illinois and other gentlemen, while I took the opposite view. There is a bill now pending before the Committee on Indian Affairs in which the amity is stricken out and the right of limitation and nonjoinder of defendant, and purely the question of citizenship is determined; that is to say, whether a man living in Texas or Colorado or in some other western State, believing in good faith that he was an American citizen, and who lost his property under conditions where he could otherwise have recovered, but was not permitted to do so by reason of the fact that he was not an American citizen, can recover. I want to ask the gentleman from Illinois, who opposed the other bill, if he does not believe that that bill ought to become a law?

Mr. MANN. Well, I do not think any of the bills ought to become law, so far as that is concerned; but I will say frankly I am opposed to all those claims. I think the claims which involve the question of citizenship have a much stronger case than those which do not involve the question of citizenship. And I can readily see that in many cases where people supposed they were American citizens and had reason to suppose they were American citizens, and went into the Indian country, it works an injustice. I would be perfectly willing, so far as I am concerned, to compromise the matter and pass the bill restoring the claims to the Court of Claims, where they were thrown out on the ground of citizenship, if the rest is to be abandoned.

Mr. GARNER. Will the gentleman yield.

Mr. MANN. I will.

Mr. GARNER. I can not only speak for myself as one Member of the House, but I believe I can, in addition to that, speak for the present Texas delegation. The matter has been fully discussed among us, and we are perfectly willing to compromise by legislation that will permit the very thing that the gentleman has just stated. I must say, frankly, speaking for myself, that I did believe that the nonjoinder of the Indians was a demand made by the Government that it was almost impossible for the claimants to comply with. The gentleman from Illinois will realize how difficult it is to correctly know the tribe of Indians which took a certain property, when the owner was fleeing from the Indians himself and trying to get away from them instead of ascertaining just who they were. I do hope Congress will have an opportunity to consider this particular bill, and so far as I can pledge myself and those who are interested with me, from Texas and other points, I will agree that the other matters may go over.

Mr. BURKE of South Dakota. Is the gentleman certain that the bill now pending in the Committee on Indian Affairs is limited to the question of citizenship alone?

Mr. GARNER. I am.

Mr. MANN. I know that statement was made to me by Senator Smoot, who, I believe, is the author of the bill.

Mr. GARNER. There is not any doubt about it, and I have taken it upon myself to go over the matter thoroughly with those interested. I thought it better to take this legislation than to undertake to have something that my friend from Illinois and others did not believe to be just claims.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. MANN. After the fight we had in the House before—

Mr. GARNER. After you licked us, I was willing to do my part.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. STEPHENS of Texas. This has been objected to twice before, I believe. This is on the Union Calendar. It is for the very purpose that has been suggested here, with one or two exceptions. We are perfectly willing to take what we can get in this bill, as suggested by my colleague, Mr. GARNER. All claimants under Indian depredations will have the right, provided they were inhabitants, to have their claims reestablished and tried before the court. That is all we are asking for.

Mr. MANN. I can only speak for myself. I am perfectly willing to compromise on that character of legislation and pass a bill of that kind if we understand that the rest of it is not to be pressed.

Mr. BURKE of South Dakota. Does not the gentleman from Illinois think that if that bill does pass it will make it very much more difficult to ever secure any further legislation?

Mr. MANN. I am not so sure about that. My observation is that whenever you pass any bill that means a payment of \$25,000 or \$50,000 or \$75,000 to the claims attorneys in Washington it whets their appetite tremendously.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The question is, Shall the bill be laid aside with a favorable recommendation?

The bill was ordered to be laid aside with a favorable recommendation.

The CHAIRMAN. The Clerk will report the next bill.

LIEUT. COL. ORMOND M. LISSAK.

The next business in order on the Private Calendar was the bill (H. R. 1133) for the relief of Lieut. Col. Ormond M. Lissak.

The bill was read.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Mr. Chairman, I reserve the right to object.

Mr. FOSTER. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois [Mr. FOSTER] objects. The Clerk will report the next bill.

#### BELIEF OF CERTAIN FIRE INSURANCE COMPANIES.

The next business in order on the Private Calendar was the bill (H. R. 4480) to reimburse certain fire insurance companies the amounts paid by them for property destroyed by fire in suppressing the bubonic plague in the Territory of Hawaii in the year 1899 and 1900.

The bill was read, as follows:

*Be it enacted, etc.* That the sum of \$82,975 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay to the Trans-Atlantic Fire Insurance Co., \$9,500; Prussian National Fire Insurance Co., \$2,850; North German Fire Insurance Co., \$8,000; Hamburg-Bremen Fire Insurance Co., \$10,450; Royal Insurance Co., \$25,100; Liverpool & London & Globe Insurance Co., \$6,900; New Zealand Insurance Co., \$6,025; Fireman's Fund Insurance Co., \$9,250; National Fire Insurance Co., of Hartford, Conn., \$4,150; and Caledonian Insurance Co., of Edinburgh, Scotland, \$750, the aforesaid sums being the amounts paid by each of the said companies on account of insurance against fire on property in the Territory of Hawaii, which property was destroyed by the Government in the suppression of the bubonic plague in said Territory in the years 1899 and 1900.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Chairman, I am rather surprised that this claim is still pending. Two years ago I received a personal letter from the President of the United States, written, properly enough, upon the presentations which were made to him, in which he said, "If the facts are as stated by —, it would seem wise and proper to act before reference to The Hague tribunal."

It was represented to the then President that if Congress did not act speedily and pay these small amounts in full settlement to these various insurance companies it would be a great loss to the Government, because it was then difficult to restrain these claimants from making an appeal to The Hague tribunal. Yet time has gone on, and they seem to have abandoned making a claim in The Hague tribunal except in talk, possibly, and the claim is still pending before Congress.

In a letter which was presented to the President of the United States, and which he inclosed to me, a very distinguished gentleman, in behalf of these claimants, stated: "The ambassadors of these countries"—referring to these countries from which these claimants come—"have made representations to the State Department on the subject, and the claimants are demanding and it is the intention to have the matter pressed for reference to The Hague unless some speedy action is taken in the premises. It occurs to me it would be humiliating to this Government to have a matter of this kind referred to The Hague," and so forth.

I do not see why these people have so restrained themselves. It is a marvelous example of self-restraint that these foreign insurance companies have refrained, for fear of humiliating The United States, from presenting these claims to The Hague tribunal for more than two years after they had said they could not hold in much longer. I think possibly they could hold in two years more. Therefore I object.

The CHAIRMAN. Objection is made by the gentleman from Illinois [Mr. MANN], and the Clerk will report the next bill.

SAMUEL M. FITCH.

The next business in order on the Private Calendar was the bill (H. R. 10122) to credit Samuel M. Fitch, collector of internal revenue, first district of Illinois, on the books of the Treas-



ury Department with the sum of \$1,500 for cigar stamps lost or stolen in transit.

The bill was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to credit Samuel M. Fitch, collector of internal revenue for the first district of Illinois, on the books of the Treasury Department with the sum of \$1,500, the same being for certain cigar stamps lost or stolen in transit from the office of the Commissioner of Internal Revenue at Washington, D. C., to the office of the collector of internal revenue for the first district of Illinois, located at Chicago, on or about March 20, 1912, by unknown persons.

The CHAIRMAN. Is there objection?

Mr. ALLEN. Reserving the right to object, Mr. Chairman, I notice the gentleman from Illinois [Mr. MANN], the author of the bill, is present. Will he make some explanation for the reasons for this allowance?

Mr. MANN. I will state the facts. Fifteen hundred dollars' worth of internal-revenue stamps were claimed to be, and undoubtedly were, transmitted from Washington to the collector of internal revenue at Chicago, with other stamps. When the package was opened \$1,500 worth of the stamps were not there. Nobody has ever discovered what became of them. The Treasury Department made an investigation and reported that the collector of internal revenue was not at fault and ought not to be held responsible for the loss of the stamps. Since that time Mr. Fitch has been relieved of his duties as internal-revenue collector, but I presume the account has not been settled in the office.

Mr. STEPHENS of Texas. Does the report on this bill show these facts?

Mr. MANN. The report does show the facts.

Mr. STEPHENS of Texas. Is it a unanimous report by the committee?

Mr. MANN. Yes; it is a unanimous report.

Mr. POUL. It is a unanimous report by the committee, and it is recommended by Secretary McAdoo and by the Commissioner of Internal Revenue.

Mr. MANN. I made no recommendations to the committee in regard to it. I introduced the bill for Mr. Fitch, who was a constituent of mine, and asked the committee to refer the matter to the Treasury Department.

Mr. STEPHENS of Texas. I understand there are numerous precedents for this?

Mr. MANN. I believe there are no cases like this where the Government has not relieved the officer.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on laying the bill aside with a favorable recommendation.

The bill was ordered to be laid aside with a favorable recommendation.

The CHAIRMAN. The Clerk will report the next one.

JAMES T. M'KENNEY.

The next business in order on the Private Calendar was the bill (H. R. 6506) for the relief of James T. McKenney.

The bill was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to James T. McKenney, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500, for the loss of his left leg, which was amputated at the knee joint as the result of physical injuries received by him on the 16th day of February, 1912, while he was in the employ of the Government of the United States at the navy yard at Mare Island, Cal., and in the discharge of his duties as a shipwright.

With the following committee amendment:

Amend, line 6, by striking out "\$2,500" and inserting in lieu thereof "\$1,427.28."

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, as I recall this case—and I can very easily refresh my recollection from the report—this man was injured while in the Government service, and has been paid all that the law allows under the compensation act, and, in addition to that, has been furnished with an artificial limb. Now, I do not think the compensation act makes sufficient compensation for a man who loses his life, or leg, or thumb-nail; but that is the general law. We shall have a report coming in here soon which will show how much has been paid since the compensation law has been in force. If, every time some man is injured and draws the amount that the general law allows him, and then presents a claim to Congress in addition, what is the use of having the general law? I should like to get an expression of opinion from my distinguished friend from North Carolina [Mr. POU] as to whether he thinks that where we have a general compensation law or a post-office law or any other general law making compensation for injuries, we should, in addition to giving the amount allowed by the general law, pay another sum by a special bill where there are no extraordinary circumstances?

Mr. POUL. Mr. Chairman, I will say to the gentleman that my view is and always has been that we ought to follow, as nearly as we can, the general law with respect to the settlement of these claims against the Government.

Mr. MANN. Mind you, this man has been paid under the general law.

Mr. POUL. I understand that. This man has received one year's salary.

Mr. COX. How much was that?

Mr. POUL. It was \$1,427.28. The committee had this case up on two different days, as I recollect, and it appeared that this man was a very useful employee of the Government; that he was a man of some education, and a man who well earned his salary of \$1,427.28. In view of the fact that this man has lost his leg, the committee thought that \$2,500 would not be too much. Now, it should be borne in mind that the Committee on Claims are not governed by any law with respect to the settlement of these matters. The compensation act is merely advisory.

If the compensation act were sufficient, of course, these people would not have to come to the Committee on Claims at all, and we have tried as best we could to settle all these cases upon their merits. It was found almost impossible to adopt any hard-and-fast rule of action. That is to say, we could not say that in a certain class of cases we are going to pay a certain amount of money to every person injured in a certain way, because there are different circumstances, and no two instances are exactly alike. I do not know whether the committee made a mistake in embarking upon this plan of settling these claims, but it did it. The public-service corporations were settling similar claims for accidents under similar circumstances. All I can say, on behalf of the committee, is that we take these cases and try as nearly as we can to do justice in each particular instance. It appeared that this man had lost his leg, and we thought that \$2,500 was not too much, and we did not feel that we were bound by the fact that he had received one year's pay.

Mr. GOULDEN. What was this gentleman's position under the Government?

Mr. POUL. He was a skilled mechanic in the Mare Island Navy Yard.

Mr. MANN. He was 72 years old. Of course, he could not do much work, as far as that is concerned. Now, the committee have more of these claims for personal injuries than they report, as I understand. Am I not correct?

Mr. POUL. There are quite a number still pending, as I understand it.

Mr. MANN. And no matter how many the committee did report it would still leave a great many that it did not report, because the more are passed the more by geometrical ratio are introduced. Every bill to pay a man a second time, considered by the committee, prevents the consideration by the committee of a bill to pay a man once. There have been thousands of these claims allowed under the compensation law. If each one of them should present a claim to the committee for a second allowance, of course, necessarily the committee would be lost. That is, it could not consider the merits of all those claims. Of course, I see that the chairman of the Claims Committee is in a somewhat embarrassing position, not believing himself in what his committee has done, and still forced to defend the action of his committee. I am going to relieve him from the difficulty so far as this claim is concerned, and as far as any other claims are concerned reported from his committee while I am here, to pay an additional amount over the amount allowed by the compensation law, where the claimant enjoys the benefit of the compensation law, I shall object.

The CHAIRMAN. Is there objection?

Mr. MANN. I object.

The CHAIRMAN. The gentleman from Illinois objects to the present consideration of the bill, and the Clerk will report the next one.

BOLOGNESI, HARTFIELD & CO.

The next business in order on the Private Calendar was the bill (H. R. 5859) for the relief of Bolognesi, Hartfield & Co.

The bill was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury and the proper accounting officers of the Treasury Department be, and they hereby are, directed to pay to Alessandro Bolognesi and William Hartfield, formerly composing the firm of Bolognesi, Hartfield & Co., of New York City, State of New York, the sum of \$8,532.99, the amount heretofore paid by said Bolognesi, Hartfield & Co. to the United States of America in payment of a judgment recovered by the United States of America against said Bolognesi, Hartfield & Co. in the circuit court of the United States, southern district of New York, on account of certain money orders issued by the clerk in charge of Station 102, Brooklyn, N. Y., between January 2, 1906, and June 26, 1906, and for this purpose the said sum of \$8,532.99 is hereby appropriated out of any money in the Treasury not otherwise appropriated.

The CHAIRMAN. Is there objection?

Mr. CULLOP. Reserving the right to object, I should like to ask the chairman of the committee or the author of this bill something about the merits of it. How does the Government come to owe this firm \$8,532.99?

Mr. POU. I will say to my friend from Illinois that this is quite an unusual thing. This firm of Bolognesi, Hartfield & Co. purchased, as innocent holders for value, 128 post-office money orders, which aggregated \$12,800. The money orders were regular in every respect. They were signed in the way that they should have been signed by the proper Government official. There was nothing on earth to show that they were not regular in every respect, and they were accepted, just as if I should take a \$10 bill from my pocket it would be accepted by any gentleman on this floor. It was afterwards ascertained that these post-office money orders were forged, and I believe that the guilty man was prosecuted by the Government.

Mr. CULLOP. And now they do not want the rule of caveat emptor to apply.

Mr. POU. That is true; and the committee did not think that the rule ought to apply. My recollection is that the department takes the same view. My information is that since this thing happened the Post Office Department has taken precautions to prevent a repetition.

Mr. MADDEN. The Government got the money, as I understand it.

Mr. STAFFORD. Oh, no; the Government did not get the money.

Mr. POU. They sued and got about \$8,000, as I recollect.

Mr. STAFFORD. They have recovered \$6,000 on the bond of the defaulting official.

Mr. POU. That is it; I stand corrected; that is true. The point that was presented to the committee is this: If the Government allows a genuine post-office money order to go on the market in this way, and a citizen buys it as an innocent purchaser for value, and it turns out by reason of the fact that the Government has not sufficiently surrounded the issue of the money order with safeguards to put the average man on notice, ought the innocent purchaser for value to lose his money?

Mr. CULLOP. These were forged orders, were they not?

Mr. POU. They were forged in one sense, and in another they were not. They were signed by the proper official. If they had been genuine orders there would have been no difference—not an "i" dotted or a "t" crossed.

Mr. COX. Will the gentleman yield?

Mr. POU. Yes.

Mr. COX. Were these claimants brokers or bankers?

Mr. POU. I think they were brokers in New York City.

Mr. COX. Why were they investing in these money orders if there was no profit in it for them?

Mr. POU. The orders came in their regular course of business, as I understand it.

Mr. STAFFORD. I think the gentleman is mistaken; if the gentleman will permit me—

Mr. POU. Certainly.

Mr. STAFFORD. This superintendent of a postal station in Brooklyn who was the defaulter was also the agent of this firm of New York brokers in selling steamship tickets to foreigners who happened to be patrons of the branch postal station. He paid for these steamship tickets, which work he performed as a side issue, by executing money orders and turning them over to the New York firm. That practice had been indulged in for years and years, and at last such amounts of money orders were turned over by the superintendent to this company as to put the New York brokers on notice that something was irregular, even though the practice had been continued for a number of years when there was no irregularity. He was, in fact, the agent of the New York firm. If an agent defaults in some act, simply because he is also employed by the Government, that ought not to give the firm recourse to the Government for reimbursement.

Mr. CULLOP. Mr. Chairman, it seems that this superintendent of the postal station issued these orders and the whole transaction was fraudulent. There has no reason so far been presented satisfactory to me, at least, why the Government should reimburse these men in their speculation. They simply miscalculated and made a bad deal. Now, they come and ask the Government to reimburse them for a bad business venture on their part. Dealing with a rogue, they had the direct result of the dealing. They got the worst of it.

If men deliberately enter upon a business venture, such as was evidently the case here, for speculative purposes, in what smacks of a questionable transaction, to say the least of it, and sustain loss, they are in no position to come to Congress and ask for a bill to be passed granting them relief and reimburse-

ing them for the loss. Again, here is furnished a striking example showing the necessity for the establishment of a tribunal to hear and determine the rights of parties asserting claims against the Government. This is necessary to grant relief to deserving claimants on one hand and the protection of the Government on the other. These matters now are left to Congress, which is very unsatisfactory. I hope to see such a tribunal established for such a purpose. I regard this claim without merit, and it would be an injustice to the people if it was allowed. I object.

The CHAIRMAN. The gentleman from Indiana objects.

MARY WELCH.

The next business in order on the Private Calendar was the bill (H. R. 12623) for the relief of Mary Welch.

The Clerk read the bill.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman from New York [Mr. LEVY], who introduced the bill, a few questions in regard to it.

Mr. STAFFORD. Is not the gentleman from Illinois aware that the distinguished gentleman from New York [Mr. LEVY] sent a telegram to the Speaker the other day saying that he had been suddenly taken ill?

Mr. MANN. Oh, no; the gentleman sent no such telegram as that. It said that the gentleman's physician thought that he ought not to travel to Washington, but it did not say he was ill. I thought that he had come by this time. However, if he is not here, I will ask to have it go over until he can be here. I object.

TRANQUILINO LUNA.

The next business in order on the Private Calendar was the bill (H. R. 5991) to authorize the payment of \$2,000 to the widow of the late Tranquilino Luna in full for his contest expenses in the contested-election case of Manzanares against Luna.

The Clerk read the bill.

The CHAIRMAN. Is there objection?

Mr. FOSTER. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Illinois objects.

BERNARD CITROEN.

The next business in order on the Private Calendar was the bill (H. R. 4310) concerning certain moneys collected from Bernard Citroen as customs duties and declared by the United States Supreme Court to have been illegally exacted.

The Clerk read the bill, as follows:

Whereas Bernard Citroen, on the 6th day of April, 1907, deposited with the collector of customs at the port of New York, under protest, the sum of \$110,335 to secure a release to him of certain pearls imported by him on June 11, 1906, and on which pearls he already had paid duty to said collector at the rate of 10 per cent ad valorem under a classification made by the said collector of customs, but which classification was subsequently, on or about the 28th day of June, 1906, changed by the said collector and the duty exacted thereon increased from 10 per cent to 60 per cent ad valorem; and

Whereas the Board of General Appraisers at the port of New York did, on the 14th day of June, 1907, sustain the importer's protest and reversed the collector and classified and assessed for duty said pearls at 10 per cent ad valorem instead of 60 per cent as exacted and obtained from said importer by said collector; and

Whereas the decision of the Board of General Appraisers was, on or about the 13th day of July, 1908, reversed by the United States Circuit Court in and for the Second Circuit, but on appeal to the United States Circuit Court of Appeals in and for the Second Circuit, and on or about the 22d day of January, 1909, the decision of the said Board of General Appraisers was affirmed and the decision of the said circuit court was reversed; and

Whereas the said decision of the said Circuit Court of Appeals in and for the Second Circuit was affirmed at the October, 1911, term of the Supreme Court of the United States; and

Whereas the said Bernard Citroen had to pay interest on and lost the use of said sum of \$110,335 for and during the period it was detained from him, against his protest, by the said collector from the 6th day of April, 1907, to the 6th day of April, 1912: Therefore

Be it enacted, etc., That the Secretary of the Treasury pay to Bernard Citroen or his assigns, out of any money in the Treasury not otherwise appropriated, interest on said sum of \$110,335 from the 6th day of April, 1907, to the 6th day of April, 1912, at the rate of 6 per cent per annum; and the payment of said interest shall be, and hereby is, declared to be in full settlement and discharge of all claims of said Bernard Citroen against the United States because of the withholding of said money.

The following committee amendment was read:

On page 2, line 1, after the word "appropriated," add the following: "the sum of \$33,100.50 being the."

The CHAIRMAN. Is there objection?

Mr. PAYNE. Mr. Chairman, reserving the right to object, I do not see any majority members of the Committee on Ways and Means present. If I were one of the members, I would not let such a bill pass. It creates a new precedent which may take millions of dollars out of the Treasury of the United States.



Mr. MADDEN. Is not the chairman of the Ways and Means Committee here?

Mr. PAYNE. I do not see him.

Mr. MADDEN. I thought he was here to help make a quorum.

Mr. PAYNE. Mr. Chairman, I think I shall have to object.

Mr. GOLDFOGLE. Will the gentleman withhold his objection?

Mr. PAYNE. I will withhold it if my friend wishes to make a speech, certainly.

Mr. GOLDFOGLE. Mr. Chairman, a little while ago the gentleman from Indiana [Mr. CULLOP] took occasion to suggest that it would be well if claims generally, or a certain class of claims, were considered by some separate tribunal instead of going through the peculiar process that we go through in this House whenever the Private Calendar is up for consideration. I agree with the gentleman from Indiana. I took occasion this morning in the House to call attention to the fact that it entirely depended, whenever claim bills were up for consideration for unanimous consent, upon the judgment or whim or caprice of any single Member of the House to turn a bill down. This is another exemplification of the fact.

Here is a bill that rests upon conceded facts. There are no facts in dispute. The Government concedes every fact alleged by the claimant. One hundred and ten thousand dollars, by our Government, unlawfully and illegally exacted, and for five years withheld, from a citizen of the United States, according to a decision of the Supreme Court of the United States. One hundred and ten thousand dollars illegally exacted without the slightest warrant in law, locked up in the Treasury of the United States against the protest of one of our citizens; yet, if one single Member of the House chooses to object to the consideration of the claim, it can not be considered by the American Congress. Strange performance this, Mr. Chairman.

Mr. POST. Mr. Chairman, will the gentleman yield?

Mr. GOLDFOGLE. I can not yield to the gentleman now. I will yield to the gentleman in a few moments. If it were only the bare fact that this immense sum of money were taken from the claimant against his protest and against his will and locked up for five years in the Treasury of the United States, notwithstanding the decisions of all of the appellate courts as the case passed through the various phases of litigation, there might not be so much to be said in favor of the bill; but the fact is that at every stage of the appeals, recited in the preamble of the bill, the claimant offered to the Government security for the payment to the Government of this sum unlawfully claimed by the customs collector. The Government, for some unexplainable reason—and I mean some of the then Treasury officials when I say "the Government"—refused to accept any security. They refused to accept the best kind of security. They would not take surety bonds; they would not take bonds of real estate owners; they would take the bond of no man, though he were millionaire or multimillionaire; they wanted the cash money retained in the Treasury, and retained it was; and now I ask the membership of this House whether it is an honest performance, whether it is a decent or just performance, to tell an American citizen that he may have, as it were, the blunderbuss of the Government placed at his head, compelled to give up \$110,000, which in whole or part he had to borrow, because such a large sum is not usually carried around in the pockets or bank accounts of men, or go into bankruptcy if he can not raise it and be pilloried in the United States court as attempting to evade the customs law, and then tell him that, though there was no law or justification for the exaction, the money so taken shall be kept by the United States for five years, without getting a dollar of compensation for his loss. Why, it is absurd, Mr. Chairman. The fact that these things occur in our Government and that it is within the power of a single Member of the House to hold up a claim of this kind shows the absurdity of to-day's performance in the consideration of the Private Calendar. What are we doing here to-day? We call up claims from the calendar. The Clerk reads the bill. Somebody rises to ask for an explanation; and whether the explanation be good or bad, whether the claim be meritorious or unworthy of consideration, some one Member objects, and then no one has an opportunity to vote yea or nay upon the measure. That is a performance unworthy of the American Congress. If the citizenship generally of the United States understood that this is the method by which claims are disposed of, they would be very much afraid to trust a government that deals with them in so unjust a fashion. I can not reconcile myself to the idea that the present Congress is dealing rightfully with the citizens of our country when they refuse to permit a vote upon a measure of this character. I have sat here day after day when private

bills were up and noticed some of the most meritorious measures turned down because they did not suit some one individual.

The individual objecting to the bill no doubt acted in good faith and in good conscience; but, after all, Mr. Chairman, sitting here to consider claims, are we as a body not to sit as a judicial tribunal? I believe we sit here, when we consider bills that arise upon claims made against the Government, as judges; and, sitting in a judicial capacity, I believe we ought to fairly express our judgment upon claims and vote them up or vote them down. That is the way courts would do. Unfortunately, we have no tribunals established by law for the consideration of claims of this character. True, some years ago, measures were passed under which certain kinds of claims can be sent to the Court of Claims for consideration. Under a law passed some years ago by Congress some claims can be sent for findings of fact to the Court of Claims. The bill now under consideration is upon a claim that can not, under the general law, be sent to the Court of Claims, but it is clear that it has merit. I appeal to the gentlemen of the committee present to-day whether this bill is not founded in justice and in righteousness, whether it is just that a single officer of the Government at the port of New York may exact, without warrant, without law, from the purse of a citizen one hundred and ten thousand two hundred-odd dollars, carry the case through all of the courts until it reaches the Supreme Court of the United States, every court deciding that it was unjust and unfair and unlawful to make the exaction, and that the victim of this exaction be refused that redress which every one of the membership of the House would insist upon having were he the victim himself and could go into court to establish his claim? Mr. Chairman, we are going through a farce when we call the Private Calendar only to have a few bills pass that escape objection and have all the others, whatever be their merit, turned down without a vote on the objection of a single Member.

Mr. Chairman, I wish there were more Members present in this committee. I wish I had the opportunity of addressing more of the membership of this House, so that I might awaken them, and through them their constituents, to the farce we go through time and again in the consideration of the Private Calendar. But there are not many Members here, and so, Mr. Chairman, I raise the point that there is no quorum present.

Mr. MADDEN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and seven Members present—a quorum.

Mr. PAYNE. Mr. Chairman, still reserving the right to object, I want to say a brief word in reply to what the gentleman from New York [Mr. GOLDFOGLE] has said. This bill when first introduced was properly referred to the Committee on Ways and Means, and afterwards, on the application of my colleague, the Committee on Ways and Means was discharged from the consideration of it and it went to the Committee on Claims, and hence there is nothing in the report to show that these people did not sell those pearls for enough money to pay for the value and pay also the duty on them—\$110,000 at that time. They afterwards got the \$110,000, and now they want \$33,000 interest. I object.

Mr. MANN. Mr. Chairman, will the gentleman from New York reserve his objection for a moment?

Mr. DONOVAN. Mr. Chairman, I demand the regular order. The gentleman from New York has twice objected to this.

The CHAIRMAN. The Chair is compelled to disagree with the gentleman from Connecticut. The gentleman from New York has not objected at all. He has reserved the right to object.

Mr. PAYNE. I will reserve the right to object if I can.

Mr. DONOVAN. I am going to ask for the regular order.

The CHAIRMAN. The regular order is. Is there objection?

Mr. PAYNE. Mr. Chairman, reserving the right to object—

Mr. CULLOP. I withdraw the objection. Mr. Chairman, if the gentleman from New York desires to reserve the right to object.

Mr. PAYNE. Mr. Chairman, reserving the right to object, if the gentleman from Illinois wants to speak, I will reserve it; otherwise I will object. Well, I object.

The CHAIRMAN. The gentleman from New York objects.

OSCAR FROMMEL & BRO.

The next business in order on the Private Calendar was the bill (H. R. 1625) for the relief of Oscar Frommel & Bro.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund to Oscar Frommel &

Bro., of New York, N. Y., a corporation of the State of New York, the sum of \$5,844.15, the same being duties paid by said corporation to the collector of customs of New York on 16 shipments of potatoes imported at the port of New York during March, April, and May, 1912, condemned by the board of health and destroyed, no notice of such condemnation by the board of health having been furnished the claimant within sufficient time to permit abandonment to the Government without the payment of duties thereon, as authorized under the provisions of subsection 22 of section 28 of the act of August 5, 1909.

The committee amendments were read, as follows:

Page 1, line 4, strike out the word "refund" and insert the word "pay."

Page 1, line 6, after the words "New York," insert the words "out of any money in the Treasury not otherwise appropriated."

The CHAIRMAN. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, this is a matter of refunding duties paid upon importations and this bill is to refund the duties entirely. The bill which was just objected to was a bill to pay interest on duties which had been paid and which the court subsequently held should not have been paid, and the duties there were to be refunded by the Government without specific appropriations being passed in a bill. Both of these bills, of course, come from the Committee on Claims, which is the only committee that can consider them, and both of them affect matters that are in the legislative control of the Committee on Ways and Means. Both are of great interest to the Committee on Ways and Means. In recent days we have made strenuous efforts to have the Members of the House, as far as practical, attend upon the sessions of the House. They get notice when there is a roll call, slip in and answer and slip out, and I notice on this occasion, when these two bills, carrying large sums of money, are before the House for consideration involving questions strictly under the jurisdiction of the Committee on Ways and Means, I notice that the gentleman from Texas [Mr. GARNER], a member of the committee, is present. I notice the gentleman from Missouri [Mr. DICKINSON], who, I believe, is also a member of that committee, is present, but I notice with sincere regret that the gentleman from Alabama [Mr. UNDERWOOD], the chairman of the committee, has graced us with his absence; that the gentleman from North Carolina [Mr. KITCHIN] is not here; that my colleague from Illinois [Mr. RAINEY] is elsewhere; that the gentleman from Indiana [Mr. DIXON] is away very properly on account of a death in his family—

Mr. CULLOP. Will the gentleman yield for an interruption there?

Mr. MANN. No; I have just explained that.

Mr. CULLOP. I would like to give the reason for his absence—

Mr. MANN. I have just given the reason myself. I notice that the gentleman from Minnesota [Mr. HAMMOND]—well, I do not know where he is, but he is not here. The gentleman from Pennsylvania [Mr. PALMER]—well, he is not here; he was here last week one day, maybe more. The gentleman from Ohio [Mr. ANSBERRY] is away on account of health. The gentleman from Mississippi [Mr. COLLIER] is absent. Notwithstanding our strenuous efforts—

Mr. GARNER. Will the gentleman yield?

Mr. FOSTER. The gentleman from Mississippi [Mr. COLLIER] is here; he is in the back of the Hall.

Mr. MANN. I am glad we have the presence of the gentleman from Mississippi [Mr. COLLIER], and I will say this about him, that he is usually present. [Applause on the Democratic side.]

Mr. GARNER. Will the gentleman yield?

Mr. MANN. I will.

Mr. GARNER. The gentleman has enumerated the absentees on the part of the Democratic membership of the Ways and Means Committee. Would the gentleman kindly enumerate just at this time the absentees on the part of the Republicans of the Ways and Means Committee? [Applause on the Democratic side.]

Mr. MANN. I will be glad to do so. The gentleman from Michigan [Mr. FORDNEY] is not present. The gentleman from New York [Mr. PAYNE] is present and the gentleman—

Mr. MOORE. Mr. Fordney was here a moment ago.

Mr. MANN. The gentleman from Pennsylvania [Mr. MOORE] is here. The gentleman from Massachusetts [Mr. GARDNER] is seeking to carry out the purpose of Congress, which has been delayed by the State Department, to get people back from Europe [applause on the Republican side], and he is abroad for that purpose. The gentleman from Iowa [Mr. GREEN]—

SEVERAL DEMOCRATIC MEMBERS. Who delegated him to go abroad?

Mr. MANN. The gentleman from Iowa [Mr. GREEN] is here. The gentleman from Nebraska [Mr. SLOAN] was here a moment ago. I do not know whether he is here now or not. There are more Republicans here than Democrats, and we have only 6 Republicans on the committee to 14 Democrats; and we do not

have the responsibility and we did not put in the buncombe resolution about docking pay. [Applause on the Republican side.] We have got a very good record here. And because of the absence of these gentlemen a demand for the regular order—and I note that my friend from New York [Mr. GOLDFOGLE] has just made a point of order and then absented himself—

Mr. BARKLEY. The gentleman from New York is still here; the gentleman from Illinois can not see. [Laughter.]

Mr. MANN. Well, the gentleman from New York slipped down in his seat behind a bigger man physically.

I object to the bill.

HERMAN REHN.

The next business in order on the Private Calendar was the bill (H. R. 14687) to appropriate a sum of money to Herman Rehn for injuries sustained while in the employ of the naval authorities of the United States at the Naval Academy, Annapolis, Md.

The Clerk read as follows:

Whereas Herman Rehn was an employee in the electrical department of the United States Naval Academy at Annapolis, Md., and while in a battery room removing a carboy filled with sulphuric acid, for which no proper machinery for handling had been provided, said carboy fell and broke and the acid splashed into his eyes, from which he has lost his sight in both eyes without any hope of recovering, the said accident having occurred on the 9th day of January, 1905; and

Whereas the said accident would not have occurred if proper machinery facilities had been provided by the United States naval authorities; and

Whereas had the accident occurred while in the employ of a private individual or a corporation the said Herman Rehn might have maintained an action against such person or corporation and recovered damages for the injuries sustained by him; and

Whereas a private individual can not maintain an action against the United States for any injury received on account of negligence, but as an equitable consideration, it is right and proper that the United States should treat its employees in the same way as if they had been working for private individuals or corporations: Therefore

Be it enacted, etc., That an appropriation of \$2,500 be, and the same is hereby, made and appropriated, to pay to Herman Rehn, of Anne Arundel County, Md., for permanent injuries sustained while in the employ of the United States naval authorities at the Naval Academy, Annapolis, Md.

SEC. 2. That immediately after the passage of this act the Treasurer of the United States is hereby required to pay the said sum to the said Herman Rehn, residing at Annapolis, Md.

The committee amendments were read, as follows:

Strike out all of the preamble, and on page 2, line 4, after the word "appropriated," insert the words "out of any moneys in the Treasury not otherwise appropriated."

The CHAIRMAN. Is there objection?

Mr. DONOVAN. Mr. Chairman, reserving the right to object, I am going to speak a few words that do not apply to the bill which is before the committee. We have been regaled here for two or three days on the matter of attendance in this body. To my surprise some of our great lawyers have taken what to a layman, or at least to myself, is a most peculiar position. I suppose, strictly speaking, it is technical. Now, the truth is that it is not the occasional violation of the law with which we are concerned, but it is the chronic violation, the chronic condition. When we have met here for days and days, and I might say weeks, with not half a quorum, these things become chronic. I saw myself yesterday two Members of this body for the first time in my life.

Mr. COX. Who were they?

Mr. DONOVAN. I found out the name of one of them and I asked several attachés the name of the other, and one of the attachés, who was standing at the desk, told me he would find out, but he has not found out yet. [Laughter.]

Now, Mr. Chairman, to make a point of no quorum would be the proper thing to do, but as the gentleman from Illinois, the minority leader, has stated here upon the floor, persons who live in glass houses should not throw stones, and some of these people who have been making the points of no quorum surely live in glass houses. A gentleman came in here the other day, and made a point of no quorum twice in one hour, and as a Member of this body he has been absent two-thirds of the time. The gentleman from Pennsylvania, from a spirit I can not explain, as soon as we were through with the divine portion of the morning raised the point of no quorum several days in succession, but because of the verbal spanking of his associate from Pennsylvania [Mr. MOORE] he stopped. Now, that gentleman from Pennsylvania was living in a glass house, because I find here that in the first session of the Sixty-third Congress he was away, according to the roll call in the Record, more than two-thirds of the time.

Mr. MOORE. To whom do you refer?

Mr. DONOVAN. I refer to one of the gentlemen from Pennsylvania, not the Member who has just arisen from his seat and interrupted me in an unparliamentary and unruly way.

Mr. MOORE. Mr. Chairman—



The CHAIRMAN. Will the gentleman from Connecticut yield to the gentleman from Pennsylvania?

Mr. DONOVAN. I am delighted to yield to him when he is gentlemanly.

Mr. MOORE. I inquire courteously and in a parliamentary way of the gentleman from Connecticut to whom he referred when he speaks of "the gentleman from Pennsylvania." There are several of them.

Mr. DONOVAN. Most of them have a peculiar record here. The gentleman referred to was Mr. BUTLER, and the one who admonished him was of the name of Mr. MOORE.

Mr. MOORE. They are both distinguished Members of this House.

Mr. DONOVAN. Very distinguished Members, and one of them is noted for his duties and the other one for his absence from duty.

Mr. MOORE. Well—

Mr. DONOVAN. I decline to yield further. [Laughter.] One of them was absent in the first session of the Sixty-third Congress, according to the roll calls, as I have said, more than two-thirds of the time, and in the language of the gentleman from Illinois, the minority leader, he was living in a glass house when he was raising the question of no quorum, for he had many opportunities at that session to raise it if he had been present. Now, in this session he has done a little better. This is the second one. He has been present 64 roll calls and absent only 42.

Now, the Pennsylvania delegation as a whole has the most remarkable record here for attendance in this body—most remarkable. If there is such a thing as conscience in the heart of a Member of Congress, he would return the money to his Government that he has taken and has not earned. If there was such a thing as conscience in the heart of a Member of Congress, he would not take the money when he has never been present. The extreme case in this body, Mr. Chairman, I admit, is on our side—the very extreme case—but he only wins, as we say in the sporting world, by a neck from a Member on the other side.

Mr. MOORE. Mr. Chairman—

The CHAIRMAN. Will the gentleman from Connecticut yield to the gentleman from Pennsylvania?

Mr. DONOVAN. Delighted! [Laughter.]

Mr. MOORE. When the gentleman lays the blame for absenteeism upon one Member of the Pennsylvania delegation from his side, does he refer to the gentleman who is now absent campaigning for United States Senator in Pennsylvania?

Mr. DONOVAN. Mr. Chairman, I will not refer to him by name.

Mr. DONOHUE. Will the gentleman yield for a question? I wanted to say that the gentleman who is referred to by my colleague—

Mr. DONOVAN. I will yield, Mr. Chairman, if the gentleman from Pennsylvania [Mr. MOORE] is through with his question; or I will answer both at the same time.

Mr. MOORE. I will be very glad, indeed, to yield, if the gentleman from Connecticut will permit, to the gentleman from Pennsylvania [Mr. DONOVAN] in order that he may answer the question I put to the gentleman from Connecticut.

Mr. DONOVAN. I will answer you.

Mr. MOORE. There is some difference of opinion between Democrats in Pennsylvania, and I would like to have the opinion of an expert.

Mr. DONOVAN. The most flagrant case from the State of Pennsylvania is not a candidate at the present time in any election anywhere. Now, I do not care to mention his name. Privately I will let the gentleman from Pennsylvania look at the paper and see.

Mr. MOORE. I will be very glad to do that. [Taking paper.]

Mr. MANN. The most flagrant case of absence is not from Alabama or Pennsylvania.

Mr. MOORE. I would like to know what cases from Pennsylvania are flagrant?

Mr. DONOVAN. The gentleman from Illinois [Mr. MANN] was asking a question of me, but on account of the interruption I did not hear the gentleman.

Mr. MANN. I would like him to know there is one case where the Member was present on the opening day of the session—

Mr. DONOVAN. I will admit that.

Mr. MANN. And he answered to his name, and has not answered to any roll call since. And I believe he has drawn his mileage by sending in his certificate from home.

Mr. DONOVAN. I admit that, Mr. Chairman; but I would not want to refer to that case, Mr. Chairman, for this reason: He is not in that condition from self-will; but the gentleman

who goes from here into other pursuits, looking for the filthy lucre, and returns here at the end of the month and draws his pay is the man who deserves condemnation; but the gentleman whom the gentleman from Illinois refers to is ill and is absent through no volition of his own. I hope the gentleman from Pennsylvania will return the paper. I did not intend anyone to see it except myself.

Mr. MOORE. Mr. Chairman, I wish to say that the paper handed me is so evidently spurious that I question its value at all as a document.

Mr. DONOVAN. I take it, Mr. Chairman, that if the gentleman is not more truthful the rest of the time than in speaking about that paper it will be necessary for him to resort to the doctrine of Ingersoll to enable him to escape discomforts in his future home.

Mr. MOORE. If the gentleman depends upon that paper for the accuracy of his statement, I fear he is the worst offender of them all.

Mr. HEFLIN. Mr. Chairman, I regret that my distinguished friend from Wyoming [Mr. MONDELL] is not in the Hall. He found that I was out of the Hall about five minutes yesterday and made mention of the fact to the House.

The gentleman from Wyoming, Mr. Chairman, is not always here, but he is always speaking when he is here. [Laughter.]

The gentleman by his constant speaking has long since refuted the doctrine that the mill never grinds with the water that has passed, for those of us who sit here listening to his speeches day after day, bearing the affliction as best we can [laughter], can testify that the constant murmur and ceaseless flow of this winding stream of talk is taken up and poured back over and over again on the old mill wheel from Wyoming. [Laughter.]

Speech makers may come and speech makers may go, but the gentleman's speeches flow on forever. [Laughter and applause.]

Mr. Chairman, when the time for his final departure is at hand and he passes from us forever a fitting inscription on the slab above his resting place would be like the one above the dust of Ephraim Gordon—

Here lies the body of Ephraim Gordon,  
With movement mouth and tongue accordin'.  
Be careful, stranger, how you walk,  
Or he'll come up in a flood of talk.

[Laughter and applause.]

And, Mr. Chairman, in the far-away time of the great hereafter, where it is said if we are good fellows here we shall be good fellows there, and the things we do here are the things we will do there, and never be tired at all, I have thought that if the gentleman from Wyoming should reach that celestial city with his disposition to talk, with tireless tongue and debate unlimited, if ever he once gets recognition for a speech, God of our fathers, be with us yet! [Laughter and applause.]

Why, Mr. Chairman, almost any Member of this House, confronted with that situation, would say to St. Peter, "Cast me back into pagan night to take my chances with Socrates for bliss rather than be a celestial in a realm like this." [Laughter and applause.] And, Mr. Chairman, I can see one of the Virginia Members as he reaches the pearly gates. St. Peter would say, "Who comes here?" And when the gates stood ajar the Virginian, recognizing that familiar voice from Wyoming, would turn to St. Peter and say: "Take me back to old Virginia." [Laughter.]

And then, Mr. Chairman, I can see the gentleman from Oklahoma [Mr. FERRIS], who has been sitting here day after day during the long, long summer with this perfect flood of useless talk poured in upon him by the gentleman from Wyoming [laughter]—I can see him arriving at the gate up yonder and as it stands ajar he leans forward and listens and says, "What is all that talk I hear within?" And St. Peter answers, "It is MONDELL, of Wyoming, United States of America, once a Member of Congress. He has been talking ever since he arrived." [Laughter.] And then I can see the gentleman from Oklahoma as he shakes his head mournfully, and says, "Hell can not be such a bad place, after all." And he, too, declines to enter. [Laughter.]

And then, Mr. Chairman, I see the Speaker of the House arrive, moving with stately tread toward the gate of St. Peter. St. Peter looks at him a moment, and then opens wide the gate. The Speaker views the gentleman from Wyoming standing on a pyramid of celestial bodies that he has talked into that long and everlasting sleep. [Laughter.] As the Speaker observes him standing there, St. Peter explains the situation. "He arrived here just 30 days ago. He has been speaking ever since he arrived. [Laughter.] There is no power that can stop him. Those bodies that he stands upon are the bodies of the

beings he has talked to death long since." [Laughter and applause.] The Speaker stands silent for a moment, and St. Peter says, "Come in, good friend; be not afraid." The Speaker says, "If he has obtained recognition for a speech, and debate is unlimited, I'll move on, for this would not be heaven to me" [laughter]; and the Speaker walks sadly away. And then I observed a dozen Members or more who had served with and suffered at the hands of the gentleman from Wyoming. [Laughter.] There they stood, and St. Peter said, "Who comes here?" And as soon as the gate was opened they heard a familiar noise, a never-ceasing noise, within, and everyone of them recognized the sound. They looked at each other, and shook their heads sorrowfully, and murmured sadly, "This can not be heaven." [Laughter.] St. Peter observed their sad looks and heard their low, sorrowful murmur, and he said, "Why this defection and sadness among you?" One of them said, speaking for the party, "Do not compel us to enter here. We know what is going on within, and we have suffered enough in yonder world—let us depart in peace." And they, too, walked away; and the gentleman from Wyoming was still speaking. [Laughter and applause.]

Mr. MANN. Mr. Chairman, just a word, without intending to comment at length upon the speech made by the gentleman from Alabama. He always affords us a good deal of entertainment. I think he had foresight and prophecy in this—I notice the gentleman from Wyoming got into heaven, and that all the Democrats who applied there were turned away. [Laughter on the Republican side.] Of course, the excuse is given that they went away voluntarily, but the fact remains that not one of them got in. And that will be the case. [Laughter and applause.]

Mr. POUL. Mr. Chairman, I demand the regular order.

The CHAIRMAN. Is there objection?

Mr. CULLOP. I object.

The CHAIRMAN. Objection is made. The Clerk will report the next bill.

ERSKINE R. HAYES.

The next business in order on the Private Calendar was the bill (H. R. 4535) for the relief of Erskine R. Hayes.

The bill was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Erskine R. Hayes the sum of \$5,000, in full compensation for injuries received on the 16th day of December, 1902, while in the performance of his duty as an employee of the Bureau of Engraving and Printing, Treasury Department, in the city of Washington, D. C. Three thousand dollars of said sum shall be payable upon the passage and approval of this bill, and the balance shall be payable in monthly installments of \$100 until the full sum of \$5,000 shall be paid.

With committee amendments, as follows:

Amend, page 1, line 6, by striking out "\$5,000" and inserting in lieu thereof "\$3,000."

Amend, page 1, by striking out line 11, and page 2, by striking out lines 1, 2, and 3.

The CHAIRMAN. Is there objection?

Mr. DONOVAN. Mr. Chairman, reserving the right to object, this bill is introduced by the distinguished Member from Ohio [Mr. FESS].

Mr. MANN. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Connecticut [Mr. DONOVAN] now has the floor.

Mr. MANN. No; he has not the floor. I have objected.

The CHAIRMAN. The gentleman from Illinois can not object.

Mr. MANN. Certainly I can object at any time. Any gentleman can object.

The CHAIRMAN. Not after another gentleman has been recognized and has the floor.

Mr. MANN. Certainly. The Chair asked if there was objection, and I objected. Nobody can prevent that.

The CHAIRMAN. The Chair asked if there was objection. The gentleman from Illinois started to rise, but upon seeing the gentleman from Connecticut rise the gentleman from Illinois did not rise. If, however, the gentleman from Illinois states that he did, and that he then made the objection the Chair will sustain him.

Mr. MANN. I rose to make the objection.

The CHAIRMAN. The Chair did not hear the gentleman from Illinois.

Mr. MANN. I rose to make an objection.

The CHAIRMAN. But did the gentleman make it?

Mr. MANN. I did make it.

Mr. HEFLIN. But he was not standing when he did make it.

Mr. MADDEN. Regular order, Mr. Chairman.

The CHAIRMAN. Did the gentleman from Illinois rise, address the Chair, receive recognition, and then make the objection?

Mr. MANN. It does not require recognition to make objection. The Chair asked if there was objection, and I objected.

The CHAIRMAN. The Chair is of the opinion that a gentleman on the floor is not entitled to say anything until he has been recognized.

Mr. CARTER. The gentleman from Illinois [Mr. MADDEN] has demanded the regular order, and when that is demanded, either some one must object or there is no objection.

Mr. MADDEN. I demand the regular order, Mr. Chairman.

Mr. HEFLIN. Mr. Chairman—

The CHAIRMAN. The gentleman from Alabama [Mr. HEFLIN].

Mr. HEFLIN. If the gentleman from Illinois [Mr. MANN] succeeds in taking the gentleman from Connecticut off his feet, this will be the parliamentary situation: The question is asked, Is there objection? A gentleman rises, receives recognition, and, reserving the right to object, proceeds to express some views to the House. He has the floor. The gentleman from Illinois [Mr. MANN], sitting in his seat, says, "I object," and takes the gentleman off his feet. The Chair did not recognize him for that purpose. He was not on his feet when he said "I object," and the gentleman from Connecticut had the floor and had the right to object. He might have made an objection at the conclusion of his explanation to the House or obtained the information that he desired.

Mr. MADDEN. Regular order, Mr. Chairman.

Mr. MANN rose.

The CHAIRMAN. Does the gentleman from Illinois make a parliamentary inquiry?

Mr. MANN. I have not made a parliamentary inquiry.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] demands the regular order.

Mr. MANN. I make the point of order, and ask the Chair to rule upon it. I am quite willing that the Chair shall rule that when a gentleman rises and reserves the right to object he shall have the rest of the day if he wants it, because it will come very handy to me if the Chair makes that ruling.

The CHAIRMAN. The regular order is demanded, and the Chair is of the opinion that that takes the gentleman from Connecticut off his feet.

Mr. DONOVAN. I did not hear the statement of the Chair.

The CHAIRMAN. The Chair is of the opinion that the demand for the regular order takes the gentleman from Connecticut off his feet.

Mr. DONOVAN. There is no doubt about that, Mr. Chairman. May I ask who demanded the regular order?

Mr. MADDEN. I demanded the regular order.

Mr. DONOVAN. He had done it at that time, had he?

The CHAIRMAN. The gentleman from Illinois demanded the regular order. The regular order is, Is there objection?

Mr. DONOVAN. I think that is correct.

Mr. STAFFORD. I object.

Mr. MADDEN. I object.

The CHAIRMAN. Objection is made by the gentleman from Wisconsin [Mr. STAFFORD] and the gentleman from Illinois [Mr. MADDEN]. The Clerk will report the next bill.

AMANDA HONERT.

The next business in order on the Private Calendar was the bill (H. R. 1089) for the relief of Amanda Honert.

The bill was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Amanda Honert, now of New Buffalo, Mich., the sum of \$500, for the destruction, on February 23, 1911, of her wearing apparel and other personal property of the value of \$500 by a fire which destroyed a building at the Cheyenne and Arapahoe Indian School, at Caddo Springs, Okla., then being used as a pesthouse for Indian smallpox patients, where said Amanda Honert was then employed as a nurse; and that the said sum of \$500 is hereby appropriated for said purpose out of any money in the Treasury not otherwise appropriated.

The CHAIRMAN. Is there objection?

Mr. DONOVAN. Mr. Chairman, reserving the right to object, I wish to compliment the very able—

Mr. MADDEN. I demand the regular order, Mr. Chairman.

The CHAIRMAN. The regular order is demanded. Is there objection?

Mr. MADDEN. I object.

Mr. HAMILTON of Michigan. Mr. Chairman, I ask the gentleman from Illinois to withhold his objection.

Mr. GORDON. Regular order!

Mr. HAMILTON of Michigan. Mr. Chairman, the gentleman from Illinois states that he is willing to withhold his objection for a moment.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] objected. The Clerk will report the next bill.

Mr. HAMILTON of Michigan. The gentleman says that he will withhold his objection.



The CHAIRMAN. The Chair did not hear it.

Mr. HAMILTON of Michigan. The gentleman stated that he would withhold his objection before the Chair directed the Clerk to read the next bill.

The CHAIRMAN. The Chair is quite positive that the Chair had ordered the Clerk to report the next bill before the gentleman himself arose to state for the gentleman from Illinois that the gentleman from Illinois had withdrawn his objection.

Mr. POUL. The gentleman from Michigan [Mr. HAMILTON] wishes to make a short explanation of the bill. I ask unanimous consent that we may return to the gentleman's bill and that the gentleman may have two minutes to make an explanation.

The CHAIRMAN. Is there objection to the request made by the gentleman from North Carolina?

Mr. DONOVAN. Reserving the right to object—

The CHAIRMAN. The gentleman from Connecticut reserves the right to object.

Mr. DONOVAN. I must compliment the gentleman from Illinois on his care of his flock. I must compliment his associates—

Mr. MADDEN. I demand the regular order, Mr. Chairman.

The CHAIRMAN. The regular order is demanded. Is there objection?

Mr. DONOVAN. Reserving the right to object—

The CHAIRMAN. The Chair is compelled to hold that the gentleman's second reservation of the right to object is not in order.

Mr. GARNER. It is equal to an objection, Mr. Chairman, in case he insists on reserving the right to object.

The CHAIRMAN. The gentleman from Texas will readily see that if the gentleman from Illinois continues to demand the regular order, and the gentleman from Connecticut continues to reserve the right to object indefinitely, there would be no end to it.

Mr. GARNER. What the gentleman from Texas intended to convey to the Chair was that if the gentleman from Connecticut insisted upon reserving the right to object, it was equivalent to an objection.

The CHAIRMAN. The Chair does not think so, because an insistence upon the regular order brings the question to an immediate determination. The gentleman from Illinois [Mr. MADDEN] objected—

Mr. MADDEN. I demanded the regular order—

The CHAIRMAN. And the Chair directed the Clerk to report the next bill.

Mr. HAMILTON of Michigan. That is not the status at this time.

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. HAMILTON of Michigan. I very respectfully suggest to the Chair that the Chair may be mistaken.

Mr. THOMPSON of Oklahoma. I object.

The CHAIRMAN. The Chair will hear the gentleman from Michigan. The Chair has not heard the gentleman yet in the confusion on the floor.

Mr. HAMILTON of Michigan. Am I recognized?

The CHAIRMAN. The gentleman is recognized.

Mr. HAMILTON of Michigan. The gentleman from North Carolina [Mr. POUL], as I understand, asked unanimous consent to return to this particular bill, and thereupon the gentleman from Connecticut [Mr. DONOVAN] reserved the right to object.

The CHAIRMAN. If the gentleman will permit an interruption from the Chair just at this time, the Chair will say that the gentleman from Illinois [Mr. MADDEN] objected.

Mr. MADDEN. No; I demanded the regular order.

Mr. HAMILTON of Michigan. The gentleman demanded the regular order, which was the putting of the request of the gentleman from North Carolina [Mr. POUL].

The CHAIRMAN. Perhaps the Chair misunderstood the gentleman. The regular order having been demanded, the question is, Is there objection to the request made by the gentleman from North Carolina that unanimous consent be given to return to the reading of the bill?

Mr. THOMPSON of Oklahoma. I object.

JOSEPH HUNTER.

The next business in order on the Private Calendar was the bill (H. R. 2344) granting a pension claim to Joseph Hunter.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Joseph Hunter, late of Company F, One hundred and twenty-sixth Regiment Illinois Volunteer Infantry, out of any money in the Treasury not otherwise appropriated, the sum of \$918.53, the same being the amount of pension due him, at the rate of \$8 per month, from May 6, 1879, to January 8, 1889, he having been dropped from the pension roll on the first-named date and

restored thereto on the last-named date, and not having received any pension during the said interval.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Chairman, as I understand, this bill is to pay some back pension prior to the allowance of a pension by the Pension Office. Is it the intention of the Committee on Claims, where a man gets a pension either by special bill or in the regular way, to report a bill to pay a pension on the same basis back of the time when his pension is allowed? I suppose that would take several billion dollars out of the Treasury if it was a general law.

Mr. POUL. This man's name was stricken from the roll and it was afterwards restored.

Mr. MANN. It was stricken from the rolls on the ground that he was not entitled to it.

Mr. POUL. It proved that a mistake had been made in the first instance in striking the name from the roll. The bill was referred to the Pension Committee and that committee was discharged from the further consideration of the bill and it was referred to the Claims Committee.

Mr. MANN. Here is a case where a man filed an application and got it allowed for a small amount. Upon reexamination the Pension Office struck his name from the roll on the ground that he was not entitled to the pension. Subsequently, as time went on and his disability increased, he filed a new application and got it allowed by a special act of Congress. Thereupon the Claims Committee—the Pension Committee has always refused to antedate a pension—the Claims Committee reports a bill to allow him a pension prior to the time that Congress gave him a special act and during the time the Pension Office had said that he was not entitled to the pension. I suppose every pensioner in the land has a claim for back pension prior to the time of the allowance of his pension, if you allow this. At any rate, I think it ought to be considered when we can have some discussion of it, which is probably not practicable at this time.

Mr. DICKINSON. Mr. Chairman, I have no desire to interrupt the gentleman from Illinois, Mr. MANN, but I would like to make some suggestions in behalf of this claimant before any objection is made to shut it out. This is a bill introduced by the gentleman from Illinois, Mr. GRAHAM, in behalf of Joseph Hunter, who was a resident of his district.

Joseph Hunter has since moved into the district which I have the honor to represent, and is a resident of my home city. I know Dr. Joseph Hunter. He is a man now nearly 80 years of age, almost blind. He has no income other than the small pension that he is now receiving. In order to make out a subsistence I recall the fact that Dr. Joseph Hunter, an old man, was temporarily employed at a railroad crossing adjacent to my law office. I used to look out in the wintertime through the window of my law office, adjacent to the railroad, and see him with a flag in his hand stopping conveyances, in order to avoid accidents as railway trains passed. This old man had my sympathy and he had the sympathy of everybody in that community.

I have in my hand letters by prominent citizens of my home city, who have written me in behalf of Dr. Hunter, urging that this claim be pressed upon Congress for allowance. It had been disclosed to them that it might make a precedent, but the letters from our circuit judge and other prominent citizens, which I will ask to incorporate with my remarks in the RECORD, have urged that there can be no objection on the part of precedent to do an absolute justice to this old man.

At one time he drew a small pension, and then the pension was wrongfully shut off. The pension was afterwards restored. The bill is in the nature of a claim to give him less than \$1,000, at the rate of \$8 a month, covering the period between the time his pension was stopped and the time when it was renewed.

The technical objection is that the original claim for the pension came under the general law and that his present pension came through a private pension bill. It seems to me to be purely technical. My predecessor, Judge De Armond, introduced a bill in behalf of Dr. Hunter to recover this amount. Mr. GRAHAM of Illinois, in whose district he lived, introduced a bill in his behalf. Three times favorable reports have been made in behalf of this claim for this man in different forms. The claim has absolute merit and, in my judgment, no technical objection ought to be raised against it.

Joseph Hunter lived in Medora, Ill., and enlisted as a private soldier in Company F, One hundred and twenty-sixth Volunteer Infantry. He was honorably discharged at Little Rock, Ark., while in the line of duty, and was ordered to Memphis, Tenn., to receive his pay, amounting to \$425. He reported to the paymaster at Memphis, who refused to pay him on account of some technicality in his discharge papers. Four years later he was ordered to St. Louis, where he received the pay due him. Thirteen years after the close of the war he applied for and was



granted a pension at the rate of \$8 a month. Two years later charges were preferred against him on the ground that he was not entitled to receive a pension. He was dropped from the rolls, and afterwards he was restored, as he was entitled to be restored, and is still drawing a small pension. During the period between the time that he was dropped from the rolls and the time when he was restored he was entitled to this pension. The objection to his being allowed money for this claim when he should have received it in my judgment is purely technical. This old man is worthy, and I want here to present the judgment and opinion of a distinguished citizen, who is a circuit judge in my town and county, with respect to this claim. The letter is written to me and is as follows:

HON. C. C. DICKINSON,  
Washington, D. C.

DEAR SIR: Dr. Joseph Hunter has returned to Clinton with a view to having his eyes treated. He is partially blind, and it is hoped that by proper treatment he may regain his sight. He is very much interested in his bill to restore to him the amount of pension he was deprived of by being dropped from the roll unjustly. He informs me that the bill is in the hands of a special committee, of which you are chairman. It seems that Congress when it restored him to pension roll found that he had been unjustly dropped therefrom. Such being the case, it would seem that he ought to be allowed the amount he would have received during the time he was dropped. He says that the only thing in the way is the fear of establishing a precedent. If the claim is just, and it seems that Congress so found, then such a precedent can do no harm. He suggests that if there is doubt in the minds of the committee, that it would be well to have him appear and make a statement. I have no doubt but what you will do your best to obtain justice for Dr. Hunter. He and his friends will greatly appreciate your efforts in his behalf.

Very truly, yours,

C. A. CALVIER.

I also submit a letter of a prominent lawyer and citizen of my home city—of Clinton.

HON. C. C. DICKINSON,  
Washington, D. C.

MY DEAR DICKINSON: Dr. Joseph Hunter was in my office this morning to see me. He has recently come out to Missouri on account of the condition of his eyes, and he is now having them treated. My friend Dr. Hunter is, I am afraid, nearly blind, and sincerely hope he will recover his vision.

I find in talking with Dr. Hunter that he understands his claim is now in the hands of a special committee. He tells me he is advised that Speaker CLARK placed his claim in the hands of a special subcommittee consisting of yourself as chairman and two others. He did not give me the names of the other members of the committee. In the event his information is correct I hope you can take the matter up for him and secure as prompt action in the way of relief as can be done.

He tells me the regular committee is afraid of making a precedent in allowing his claim. From the history of this matter I am of the opinion Dr. Hunter's name was taken off the pension roll by reason of the fact he was an active, outspoken Democrat and not by reason of the fact he was not entitled to his pension. The former action of the House and the report of the committee when his name was restored to the pension roll show that the evidence did not justify the dropping of his name from the pension roll, and it seems with this finding of facts it follows, then, he was unjustly dropped from the roll and unjustly deprived of his pension during the time his name was dropped from the pension roll.

If he was unjustly deprived of his pension, he ought to have all that he was thus deprived of unjustly, and such precedent could never wrong anyone. It could only be used in favor of those whose names were unjustly dropped from the pension roll, and the precedent then would only result in doing justice to those concerned. Such precedent could not inure to the benefit of those whose names were properly dropped from the pension roll.

These are my individual views submitted to you for your consideration. I feel sure you will be glad to do all you can for Dr. Hunter. He gave me the name of his Congressman in his district, but for the time being I have forgotten the name. I can obtain it and write you again. As ever,

Yours,

PEYTON A. PARKS.

Congressman JAMES M. GRAHAM, of Illinois, is from the doctor's district.

This bill was reported at one time by me as chairman of a subcommittee of the general Private Claims Committee, of which Mr. POU, of North Carolina, was chairman, when I was a member of that committee. Dr. Hunter is the same man for whom Judge De Armond, my distinguished predecessor in Congress, known to many Members, introduced a bill, the same man in whose behalf Mr. GRAHAM of Illinois introduced a bill, and for whom I made a favorable report as chairman of a subcommittee of said Claims Committee.

The bill reads as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Joseph Hunter, late of Company F, One hundred and twenty-sixth Regiment Illinois Volunteer Infantry, out of any money in the Treasury not otherwise appropriated, the sum of \$918.53, the same being the amount of pension due him, at the rate of \$8 per month, from May 6, 1879, to January 8, 1889, he having been dropped from the pension roll on the first-named date and restored thereto on the last-named date, and not having received any pension during the said interval.

These letters written to me evidence the sympathy of the community for him, and they can not understand why it is that this old man, nearly 80 years of age, who faithfully served his country, and who is now nearly blind, a man with nothing but a small pension, who stood there in the cold of winter, seen by these people, with a flag in his hand protecting passengers from

injury along the railroad track, should not be allowed this claim, and why the claim should not receive the most careful consideration at the hands of this body. Their hearts went out in sympathy for the old man, and the judgment of all familiar with his case favored the allowance of this just claim. Distinguished Members of Congress have repeatedly introduced bills in his behalf, and three distinct reports have come from the Committee on Claims stating that this claim ought to be allowed.

Mr. CLINE. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield for a question.

Mr. CLINE. I just want to ask one question. Was the petitioner dropped from the rolls as the result of a special examination at the time he was dropped?

Mr. DICKINSON. There is a long history in regard to that.

Mr. CLINE. Did the Pension Department send out a special examiner to investigate the case before he was dropped from the rolls?

Mr. DICKINSON. I do not want to speak positively about that. It has a long history. It has been said that prejudice is the reason why he was dropped. He was a great partisan, though I do not believe that that ought to be brought into the matter. The fact is that he was dropped, he ought not to have been dropped, and by the action of Congress he has been restored by a special bill.

Mr. CLINE. Did he make an effort to get restored?

Mr. DICKINSON. Time and again he has come to Congress in behalf of his claim.

A part of the last committee report, as made by Mr. POU, chairman of the Committee on Claims, reads as follows:

The bill, as introduced, was passed on the above recommendation of the committee, which was to "restore" the pensioner to the rolls. The bill, as introduced, did not provide that the soldier should be allowed pay for the time he had been dropped from the rolls, but it was supposed that a restoration would carry with it the payment of the pension while he had been deprived of it. This the department has refused to do.

The soldier asks pay for the time he was suspended or dropped from the rolls, on the ground that if the department had no right to drop his name they have no right to deprive him of the nine years or more of pay which he would have drawn had the action not been taken. If, after the congressional committee made a thorough investigation and recommended his restoration to the rolls and on their recommendation he was restored as a pensioner, this statement of fact should be proof conclusive of the pensioner's claim that he should be paid for the time he was deprived of his pension. The soldier is now approaching his seventy-fifth year and is receiving a pension under the service act allowed by law, but insists that he should be paid for the time he was not permitted to draw pay under the original pension.

Now, upon the question of its being a precedent, and responding to the suggestion of the gentleman from Illinois, I want to say this: That during the time that this case was before the Committee on Claims a similar case was introduced by the gentleman from Iowa [Mr. GREEN] in behalf of the heirs of a certain deceased soldier. The gentleman from Illinois [Mr. MANN] made an objection to that bill, and then said, as I remember it, that if the man were living he would not make the objection. That claim afterwards came up on the regular call, and no objection was made and it went through the House. After that I called up in the committee the claim of Dr. Hunter, who was living, and it was favorably reported. It is not a claim in behalf of his heirs, but in his own behalf, and I thought then that under the statement made by the distinguished gentleman from Illinois there could be no reason why the claim of Dr. Hunter should not go through. I will put into the RECORD the name of that other case to which I refer, because I do not exactly recall it now. It was, as I recall, a claim in behalf of the heirs of Antonio Sousa. It seemed to me that if the other case went through the case of Dr. Hunter ought to go through. I know there is a claim about the danger of precedents, but these matters are always in the power of the House, and we are not bound by precedent unless Congress sees fit to invoke it. The justice of a claim and not mere precedent should control, and I press upon the membership of this committee that this old man, now on the very verge almost of the grave, walking through the streets of my town almost blind, with the sympathy of prominent men and of the people of that community familiar with the facts of his case, should have his claim allowed. These men can not understand why this old man who was deprived for a number of years of \$8 a month, aggregating less than \$1,000, should not be allowed this claim. He was entitled to it in the first instance, and if he was so entitled to it in the first instance and was dropped from the pension rolls by no fault of his own and afterwards restored, his claim for the time he was dropped from the rolls should be allowed. I do hope that no objection will be raised against it, and that this claim will be allowed.

Mr. MANN. Mr. Chairman, just a moment. The claimant in this case enlisted for three years in the war. He served for



one year only, probably for some good reason, I do not know what it was. In 1877, in April, he had a pension allowed to him on account of cancer of the stomach. I can see my friend from Illinois, Dr. FOSTER, when I make the statement that he was given a pension for cancer of the stomach in 1877 and is still doing business.

Mr. DICKINSON. I hope the gentleman will not put that smile in the RECORD.

Mr. MANN. In April, 1877, he was allowed a pension. In May, 1879, the Pension Office, for some reason, reconsidered his case, and stated that he was not entitled to a pension, and so far as the law stood he was not entitled to a pension. He did not get a pension under the law. But he secured a special act of Congress granting him a pension later. Well, now, he was like anybody else who gets a special act of Congress, absolutely no distinction between his case and another, except that for two years he had been drawing a pension to which he was not entitled. He was that much ahead of the game. We pass every year hundreds of special bills. Why, I have been appealed to, and I suppose every other northern Member of the House has been appealed to, time and time again to have a special bill relate back, and I have always said, as other Members are required to say, that it is the invariable rule of the Congress that it never passes a special pension bill and makes the pension date back of the passage of the act, because if we did, of course you would date them all back practically to the time the man came out of the Army. Now, the gentleman refers to the Iowa case. I do not remember anything whatever about it. The gentleman has the advantage of me, but I will undertake to say that I have never expressed in any way, shape, or manner any proposition in favor of allowing a back pension, either in the Iowa case or any other. But the gentleman admits that the two cases are not alike and then seeks to hang this case on the Iowa case as a precedent. Now, if he can do that, then you could not but hang all the rest of these special pension cases on this case as a precedent.

Mr. DICKINSON. Will the gentleman yield?

Mr. MANN. Certainly I will yield.

Mr. DICKINSON. Mr. Chairman, I desire to furnish the information. The claim in that case was the heirs of Antonio Sousa.

Mr. MANN. Giving the name does not help me any.

Mr. DICKINSON. I understand, but I am giving it because I want to refer to it for a moment. Objection was made in the first instance that it was on behalf of the heirs of Antonio Sousa, he being dead, but if he were living there would be no objection. It afterwards passed the House and went to the Senate—

Mr. MANN. I undertake to say without recalling anything at all about the case, that if I made such a statement it was a very different case from this one. I would be willing for the whole record to be shown. No Member of this House could defend himself for a moment for not having all of the pension bills date back 5, 10, 20, 30, or 40 years if he lets this bill pass by unanimous consent, so I can not do it.

Mr. GOULDEN. Will the gentleman yield?

Mr. MANN. Yes.

Mr. GOULDEN. What is this gentleman getting now, what is his present pension under the special bill, and when was that special bill passed?

Mr. MANN. That special bill was passed in the Fiftieth Congress.

Mr. GOULDEN. In what Congress?

Mr. MANN. In the Fiftieth.

Mr. GOULDEN. What is the amount of the pension now paid him?

Mr. DICKINSON. I will read it. The bill is granting a pension claim to Joseph Hunter in the sum of \$918.53, the same being the amount of pension—

Mr. MANN. That is not what the gentleman is referring to.

Mr. GOULDEN. I desire to know what is the amount of pension paid now under the special bill passed by Congress.

Mr. DICKINSON. I think it is \$8; I may be wrong about that, but it is a very small amount.

Mr. MANN. I think it was originally at \$8 under the special bill, but I believe it was increased by a general act to not less than \$12, \$15, or \$20.

The CHAIRMAN. Is there objection?

Mr. MANN. I object.

Mr. DICKINSON. Mr. Chairman, I ask unanimous consent to extend my remarks, and also to include in them certain portions of the report and certain letters in reference to it.

The CHAIRMAN. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

FRED A. EMERSON.

The next business in order on the Private Calendar was the bill (H. R. 4630) for the relief of Fred A. Emerson.

The bill was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Fred A. Emerson, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000, as compensation for the loss of his left foot through no negligence on his part while being employed in the Watertown Arsenal, at Watertown, Mass., in December, 1900.

The committee amendment was read, as follows:

Page 1, line 6, strike out "\$5,000" and insert "\$1,500."

The amendment was agreed to.

The bill as amended was ordered to be laid aside with a favorable recommendation.

ROBERT T. LEGGE.

The next business in order on the Private Calendar was the bill (H. R. 1513) for the relief of Robert T. Legge.

The bill was read.

The CHAIRMAN. Is there objection?

Mr. MANN. I object.

P. J. CARLIN CONSTRUCTION CO.

The next business in order on the Private Calendar was the bill (H. R. 11772) for the relief of the P. J. Carlin Construction Co.

The bill was read.

Mr. POU. Mr. Chairman, I am advised that there will be objection to this claim, and I ask unanimous consent to pass it over without prejudice.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent to pass this bill without prejudice. Is there objection? [After a pause.] The Chair hears none.

Mr. POU. I also make the request of Calendar No. 256.

Mr. MANN. Wait until we reach it.

FRANK PAYNE SELBY.

The next business in order on the Private Calendar was the bill (H. R. 6879) for the relief of Frank Payne Selby.

The title of the bill was read.

Mr. POU. Mr. Chairman, I ask unanimous consent that this bill be passed over without prejudice.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none.

RITTENHOUSE MOORE.

The next business in order on the Private Calendar was the bill (H. R. 6196) for the relief of Rittenhouse Moore.

The bill and the committee amendments were read.

The CHAIRMAN. Is there objection?

Mr. MANN. I object.

The CHAIRMAN. The gentleman from Illinois objects, and the Clerk will report the next bill.

UNITED STATES DRAINAGE & IRRIGATION CO.

The next business in order on the Private Calendar was the bill (H. R. 10053) for the relief of the United States Drainage & Irrigation Co.

The bill was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the United States Drainage & Irrigation Co., a corporation existing under the laws of the State of New York, out of any money in the Treasury not otherwise appropriated, the sum of \$9,498.43, which sum is hereby appropriated, the same being for additional work performed by said United States Drainage & Irrigation Co. under its certain contract with the War Department, dated December 15, 1911, for jetty work at the mouth of Broadkill River, Del.

Also the following committee amendment was read:

In line 8, after the word "being," insert the words "in full."

The CHAIRMAN. Is there objection to the consideration of the bill?

Mr. MANN. Reserving the right to object, I would like to have the gentleman make a statement.

Mr. BROCKSON. Mr. Chairman, this case arose from a contract to reinforce the jetty at the mouth of Broadkill River, Del. The contract price was \$6,679.15. The time required or specified in the contract within which the work should be completed was three months. The mouth of this river is in the lower part of Delaware, near Lewes, in a flat country, where but very few stones are found. This jetty had lowered several feet. The contractor agreed to raise the jetty up to the required height and to reinforce this jetty by driving sheet piling at the side of the jetty. The specifications notified the contractor that there was some stone to be removed in order to drive the piling. After the work was commenced it was soon discovered that there was a very much larger quantity of stone there than was anticipated either by the contractor or by the

Government. At the side of this jetty was round piling. These piles stood about 12 inches apart. It was assumed by the bidders, and assumed by the Government, apparently, that the stone to be removed were such stone as had fallen through the small spaces in the round piling. I will now read from the statement of the company to show what difficulties were found:

We were compelled to remove approximately 600 tons of stone, some of quite large size, in order to drive the sheet piling in the manner called for, which work could only be accomplished by means of divers from day to day as the piling was driven. The use of an orange-peel bucket or other dredging or more rapid method was not allowed, as same would probably have caused the jetty to go adrift. The stone thus removed is in evidence, piled up alongside of the jetty. Some of it appearing above the surface at low tide. When it is understood that a large part of it was embedded in mud and sand, in some places to a depth of 4 or 5 feet, the difficulty of removing it will be apparent. We employed for the purpose a powerful steam-forced water jet for washing a hole in the stone, but even with this the diver was often almost engulfed, particularly where sand was encountered. Several of our divers gave it up.

Mr. MANN. I am satisfied, so far as I am concerned, with the gentleman's lucid explanation.

The CHAIRMAN. Is there objection?

Mr. CULLOP. I object.

Mr. BROCKSON. Will the gentleman reserve his objection?

Mr. CULLOP. Yes; I will reserve the objection.

Mr. BROCKSON. As an indication of the opinion of another contractor regarding the quantity and practicability of removing the stone, it appears in the report that another company offered to remove all stone interfering with driving the piling for \$370.

On page 17 of the report you will find that the actual expenses of this contracting company were \$18,706.82. The contract price was \$6,679.15. The Government deducted from that amount \$1,009.30 for inspection and supervision, making the net amount received from the United States Government by this contracting company \$5,669.76, leaving a total loss of \$13,037.06 to this company.

In the first instance, these contractors would have been far better off if they had forfeited their contract and paid the amount of damages specified in the bond when they found these tons of stone there to be removed. But at the suggestion of some official of the Government, as appears from the report, they continued with the work, and they continued in a way that was satisfactory to the Government. They could have used powerful pile drivers with steel points and crushed a way through this stone, or they could have blasted some of the stone and then grappled the pieces up in a much quicker way, but in order that they might retain their reputation for doing good work, and work that would be satisfactory to the Government, they followed the instructions of the Government and used divers, uncovered these stones, and lifted them up one at a time. After the work had been done they took the matter up with the Government officials.

The Government had its local engineer, R. R. Raymond, major, Corps of Engineers, to go over every item carefully, and got his opinion as to how much money should be allowed to this company. You will find on page 19, of the report, that Maj. Raymond makes this statement:

15. The complicated nature of a problem of this kind makes it difficult to state exactly how much of the contractor's expense was due to any specified cause. All of his loss can not be ascribed to unforeseen conditions. Based upon the best data available, my opinion is that his claim is a just one, not for the full amount stated by the public accountant, but for a lesser amount estimated by me above as \$9,498.43. This sum is actually greater than the original contract price, due to the fact that the unforeseen difficulties encountered made a very difficult job of one that was expected to be very simple and easy.

Now, following that on page 8, we find that Edward Burr, colonel, Corps of Engineers, and Acting Chief of Engineers, submitted to the Secretary of War an estimate to have this amount allowed. It reads as follows:

A deficiency estimate for \$9,498.43 is submitted herewith in conformity with instructions of the Assistant Secretary of War dated December 22, 1913, with recommendation for submission to Congress.

This matter was taken up first with the local engineer, and then with the War Department. After full and careful consideration the War Department concluded that this company should be allowed this \$9,498.43, the exact amount for which the bill is drawn. They prepared an estimate to be put in the urgent deficiency bill, as I have stated. Afterwards, upon looking into the law, doubt arose as to the right to have the claim paid in that way, and it was suggested to these men that they come to Congress with a special bill.

This work was done with this extraordinary obstruction and condition, at an actual expense of \$18,706.82—and I will say in passing this means a great deal to this small company—and the company completed this work in a way satisfactory to the Government. The officials of the War Department upon inves-

tigation concluded that a part of that loss should be borne by this company; but the War Department further concluded that this Government should reimburse that company to the extent of \$9,498.43.

I submit, gentlemen, this is a meritorious claim, and I hope there will be no objection to its passage. It would be a great hardship for these men to lose all of this money. These men acted in good faith with the Government, knowing after they had worked about a week that they were losing money, but went on and completed the work, not in a way that would be less expensive to the company, but in a way directed by the Government; if under these circumstances this Government rejects this claim, it will be another incident that shows why it is that, when the Government calls for a contract, that bidders bid so much higher than is usual elsewhere. If the Government in cases like this, where it has actually induced the contractors to go on and complete the contract at a great loss, will not make good such loss, it will be another case that will encourage or, in fact, cause bidders for other contracts to make high bids to guard against such a case as this.

The CHAIRMAN. The question is, Is there objection to the present consideration of the bill?

Mr. CULLOP. Mr. Chairman, I sympathize fully with the contractors, and certainly commend the ability with which the gentleman from Delaware [Mr. Brockson] has presented this claim.

When this claim was up before, I objected to it then. I desire to call attention now to provision 8 of the contract under which they did this work.

Mr. BROCKSON. On what page?

Mr. CULLOP. On page 7. I read:

No claim whatever shall at any time be made upon the United States by the contractor for or on account of any extra work or material performed or furnished, or alleged to have been performed or furnished under or by virtue of this contract, and not expressly bargained for and specifically included therein, unless such extra work or materials shall have been expressly required in writing by the contracting officer, the prices and quantities thereof having been first agreed upon by the contracting parties and approved by the Chief of Engineers.

Now, Mr. Chairman, there was an express provision in the contract which the contractors made, to the effect that they would not present any claim for extra work; and yet within a very short time after having deliberately entered into this contract, and made it in competition with other bidders, because they feel that they made it for too low a price, in the face of the express provision in the contract, they come and ask to be reimbursed. They are in this matter doing exactly what they agreed not to do.

Now, if this contract had been executed for a much less price than they calculated when they took the contract, and their profit had been enormously larger than they calculated it would be, does any man suppose that they would have returned to the Government the excess of profit which they approximated would be earned in that contract? Certainly not. It would have gone as a part of the profits of the business, and they would have considered it effrontery on the part of any individual who would assume that they made too great a profit on the contract and should for that reason remit a part of it back to the Government.

Mr. BROCKSON. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Indiana yield to the gentleman from Delaware?

Mr. CULLOP. Certainly.

Mr. BROCKSON. Has the gentleman noticed that the Government admits the condition under the water was entirely different from what the Government expected or from what anybody else had reason to contemplate?

Mr. CULLOP. I notice that they have said that, and that is not any credit to the Government officer who makes that statement. If he was superintending that work, letting the contract for the Government, I should think such a confession as he has made in that statement is a very embarrassing one, indeed. It was the duty of the contractor to examine and ascertain for himself what the conditions were, and it is our duty to suppose that he did that.

Now, if there was a court to which these claimants could go with their claim, in the face of the contract that they entered into under which this work was done, they would have no standing whatever. Now, they come to Congress and say: "We could not recover in a court if there were one to which we could go and sue, but still we ask the Congress of the United States, notwithstanding our mistake in judgment in entering into this contract, to reimburse us for a matter for which we have no legal claim and no standing whatever in any court to recover." So, Mr. Chairman, I object.



Mr. BROCKSON. Will not the gentleman reserve his objection for just a moment?

Mr. CULLOP. I will reserve it if the gentleman wants to ask me a question.

Mr. BROCKSON. I was interrupted by the rising of the committee temporarily. There was one more paragraph in the report containing another statement that I desired to read, and I call the gentleman's attention to it. That is the statement of the Secretary of War.

This matter started with Maj. Raymond, in the local district. This extra work which the Government found to be necessary was done by the direction of the Government. The matter was taken up with different officers and was submitted to the Secretary of War, and here is what the Secretary of War says:

Mr. CULLOP. I want to read paragraph 3 of what he says.

Mr. BROCKSON. In sections 3 and 4 he says:

3. The work was in no proper sense extra work ordered by the contracting officer, as the contract required the contractor to furnish all plant, appliances, material, and labor, and reinforce the jetty at the rate of \$9.87 per linear foot, and furnish and place filling stone at the rate of \$4 per ton. The contracting officer could not have relieved the contractor of his undertaking when it was found to be more difficult than expected, nor was there any way by which the contractor could be paid except as stipulated in the contract.

4. Since, however, the work was necessary, since it would have cost much more had actual conditions been known, and since, had the contractor defaulted, such portion as he would have left undone would have been completed at increased cost, and since the contractor persisted to the completion, with no hope of obtaining relief from the large loss except as an equitable claim the claim in the amount designated in the bill is regarded as meritorious and favorable action is recommended.

Very respectfully,

LINDLEY M. GARRISON,  
Secretary of War.

Mr. CULLOP. Yes; and after he had said that—

Mr. BROCKSON. Let me ask the gentleman one question right there. The gentleman admits that they lost this \$9,000, does he not?

Mr. CULLOP. I admit that they report that it cost them that much more to do the work than the contract price.

Mr. BROCKSON. No; it cost them over \$13,000 more.

Mr. CULLOP. The Secretary of War is mistaken in his conclusion. They gave a bond for the faithful performance of this work; and if the Government had gone on and done the work after they had abandoned their contract, the Government would have had a right to do it and be reimbursed, and there was no escape from it.

Mr. BROCKSON. If the gentleman will permit me to interrupt him right there, the Secretary states that it would have been an additional cost to the Government if they had defaulted.

Mr. CULLOP. In that the Secretary is mistaken, because here is the bond. If the bond was responsible, legally and financially, the Government could have gone on and done the work and collected on the bond, and there would have been no loss whatever to the Government; but the Secretary of War neglects to incorporate that proposition in his statement, and that belongs to it.

Mr. BROCKSON. It is hardly probable that the bond was more than \$10,000, or double the amount of the contract, and the actual cost of this work was over \$13,000.

Mr. CULLOP. There was a provision in the bond for the faithful completion of the contract, and that was the binding clause of it, and if the Government officials had done their duty there was no way by which the Government could sustain one cent of loss if they had thrown up their contract unless the bond was financially irresponsible.

Again, I may call the attention of the committee to paragraph 8 of the contract under which this work was done, which provides that if changes are made the same must be reduced to writing as a part of the contract with specifications, costs, and so on. They could, when they found they had been mistaken, have then secured an alteration of the contract, but neglected to do so. That was the time to have secured relief, and they failed to take advantage of their opportunity. I can see no reason why we should allow it now. There seems to me no excuse for such a procedure under the existing circumstances. So, Mr. Chairman, I object.

The CHAIRMAN. Objection is made by the gentleman from Indiana, and the Clerk will report the next bill.

#### COLONIAL REALTY CO.

The next business in order on the Private Calendar was the bill (H. R. 13569) providing for the refund to the Colonial Realty Co. certain corporation tax paid in excess.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Colonial Realty Co., of the city

of Philadelphia, State of Pennsylvania, the sum of \$409.03, being the amount of excess corporation tax paid by said company.

The CHAIRMAN. Is there objection?

Mr. CULLOP. Reserving the right to object, I should like to have the chairman of the committee explain what the liability in this bill is.

Mr. POUL. I will ask the gentleman from Pennsylvania [Mr. EDMONDS], who reported the bill, to make a statement concerning it.

Mr. EDMONDS. Mr. Chairman, this bill is for a refund of \$409.03 of a special excise tax paid by the Colonial Realty Co. in excess of what they should have paid. It appears that there was a doubt about their continuing in business, and they paid the full sum, with the agreement that the difference was to be returned to them. They asked the collector of internal revenue in Philadelphia to make an investigation and find out how much they were to be paid back, and he started the investigation, but did not finish it until after it was too late for the Government to return the money. Had this investigation been finished and the sum determined on in time, the Government would have returned the money out of current funds; but owing to the fact that the investigation was not finished until after the time limit they had to apply to Congress for the money.

Mr. CULLOP. Why did not they go to the Court of Claims in this matter?

Mr. EDMONDS. I really can not answer the gentleman, because I do not know.

Mr. CULLOP. That would have been the proper place to go.

Mr. MANN. If the gentleman will pardon me, the explanation given why they did not go to the Court of Claims is because they asked the auditors of the department to ascertain the amount. Those auditors went to work in July of one year, and then suspended operations and did not finish until February of the next year, just after it was too late to make the refund. There was no need to go to the Court of Claims if the auditors had reported in time.

Mr. CULLOP. I see in the report this statement:

The papers and facts in this case show that the Colonial Realty Co. was not remiss in filing their claim for a refund as the correspondence with the Treasury Department would indicate, and that therefore the question of laches can not be raised by the department as in most of the claims for refund that are presented to the committee for consideration.

Who, if anyone, is to blame for their not going to the Court of Claims in order to have the facts found in the case, so that it could be certified to Congress?

Mr. EDMONDS. The gentleman from Indiana must remember that there is no dispute as to the amount. The Court of Claims could only find the amount due. The Treasurer ordered a refund to these people, but the auditor refused to pay it, because the time limit had elapsed.

Mr. CULLOP. How did the mistake occur in which they paid too much tax?

Mr. EDMONDS. They were not sure as to how long a time they expected to stay in business. The building was torn down, and they retired from business.

Mr. CULLOP. They paid the tax and then voluntarily retired from business before the time expired which the tax covered. That was voluntary on their part.

Mr. EDMONDS. No; it was an agreement between them and the collector.

Mr. CULLOP. What right had the collector to make any contract or agreement of that kind? He is the man to look to for reimbursement. If he made a contract of that kind he ought to make it good. It was not within the discharge of his duties to make a contract in that way in reference to the collection of revenue.

Mr. EDMONDS. It was not a contract, it was simply an agreement.

Mr. CULLOP. I think, Mr. Chairman, that the claimant ought to go to him and make him reimburse, and I object.

GEORGE H. GRACE.

The next business in order on the Private Calendar was the bill (H. R. 1352) for the relief of George H. Grace.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the accounts of George H. Grace, postmaster at Lead, S. Dak., in the sum of \$2,582.95, paid to the United States on account of money-order funds embezzled by Raymond L. Shea, late money-order clerk in the post office at Lead, S. Dak.; and the sum of \$2,582.95 is hereby appropriated, out of any money in the Treasury of the United States not otherwise appropriated, for the payment of this claim.

The following committee amendments were read:

Amend by striking out the figure "\$2,582.95," in the fifth and ninth lines, and inserting in lieu thereof the figures "\$2,718.95."

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Chairman, I notice from the letter of the present Postmaster General that he does not consider this an equitable claim. I have read his letter, but I have not read the whole of the report, which consists of many pages. I think some explanation should be given to overcome the presumption raised by the criticism of the Postmaster General that this is not a meritorious claim.

Mr. DILLON. Mr. Chairman, I will say to the gentleman that this claim may present an innovation and a unique question. Raymond L. Shea was appointed a clerk at the post office in Lead City, S. Dak. The postmaster at that time was named Walter McKay. Subsequent to that time the claimant, George H. Grace, became the postmaster. On February 5, 1912, Shea became a defaulter. He was an embezzler, was arrested, convicted, and sent to the penitentiary. A demand was made on Walter McKay for the amount that was embezzled during his term of office, and likewise a demand was made on George H. Grace for the default within his term of office. They paid the sums found due on these defaults.

The postmaster, George H. Grace, did not appoint Raymond L. Shea. The appointment was made under the civil service, and the United States Government, through the department required a bond to be given by Raymond L. Shea. He gave the bond. After the giving of the bond the inspectors investigated the office time and time again. They failed to discover any default. Raymond L. Shea was 32 years of age. Prior to his arrest he was considered the most model young man in the city of Lead. He had the confidence of the entire community. He was prominent in church and Sunday school circles, and had the confidence of the postmaster, and was regarded as an exemplary young man, possessing the confidence of everybody.

Mr. STAFFORD. Will the gentleman yield?

Mr. DILLON. Yes.

Mr. STAFFORD. In opposition to the position taken by the gentleman from South Dakota, that the inspectors failed to discover any irregularity, I wish to call attention to one statement made by the Postmaster General, which is an excerpt from a report of the inspector:

We found the money-order records in a deplorable condition—statements delayed and not rendered consecutively, press copies illegible, erasures in press-copied statements, reports apparently deliberately falsified, especially the credit items. New York drafts issued and not charged, press copy of statement for February 28, 1911, omitted, applications faulty or missing, etc.

I would like to have some explanation as to how the gentleman can support his statement.

Mr. DILLON. I will say to the gentleman that that was the final report made by the inspectors at the time of the arrest. Prior to this report and prior to the arrest and conviction of the clerk, various examinations were made, and they failed to discover any irregularities in the office. There was a change in the system some time in 1911 in reference to the keeping of the postal funds. After that there was no default in the postal fund department. This postmaster relied upon his integrity and his honesty and had no knowledge of any defalcation.

The question is whether the Government shall lose the money or whether the postmaster shall lose it under these circumstances. The committee, after going over the matter thoroughly, concluded that under such circumstances, when the postmaster did not appoint the clerk, when he could not remove him, when he could not cancel his appointment, when he was put in by the Government and was under bond to the Government, which bond was wholly insufficient as a protection, that he ought not to stand the loss under such circumstances.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Still reserving the right to object, Mr. Chairman, the only question in my mind about this case is whether the postmaster was diligent in the performance of his work. The Postmaster General seems to think that he did not exercise that care that a postmaster should in scrutinizing the work of his subordinate.

Mr. DILLON. Will the gentleman yield at that point?

Mr. STAFFORD. Yes.

Mr. DILLON. Upon that point I would say that the inspector who had gone there on numerous occasions failed to discover any default. Mr. Grace trusted the clerk; he relied upon the inspector's reports; he was not in any manner negligent, and certainly he was not more negligent than the inspector of the Government.

Mr. BURKE of South Dakota. Mr. Chairman, my colleague has stated clearly what fully explains what the gentleman from Wisconsin mentions, that if this clerk deceived the postmaster he also deceived several inspectors, and it was after the defalcation and embezzlement had been discovered that the inspectors made an investigation and the report that the Postmaster General refers to.

Mr. STAFFORD. But at that time, according to that report, the books were in a very confused condition, which the postmaster or anybody could have detected, if there was irregularity.

Mr. BURKE of South Dakota. If that is true, as my colleague has so clearly stated, the regular inspectors did not discover it.

Mr. STAFFORD. But the inspectors made that report.

Mr. BURKE of South Dakota. But the gentleman does not distinguish between the report that was made after the shortage was discovered and the previous reports. For years before there had been frequent inspections of the office at different intervals and everything had been found to be satisfactory.

Mr. STAFFORD. But the gentleman from South Dakota does not distinguish between the condition where a clerk is performing his work satisfactorily, and where the inspector makes an inspection and finds it entirely satisfactory, and the case where subsequently thereto, after a lapse of a long time, this clerk becomes a defaulter, and the books show by examination that he is a defaulter, and yet the postmaster fails to discover it by reason of his very confidence in the clerk.

Mr. BURKE of South Dakota. Mr. Chairman, I will say this to the gentleman, that in this particular case, and it is a very unusual one, the young man had been in the office for many years, a man of exceptionally high standing among the people who knew him. He had enjoyed the confidence of the postmaster as well as that of the former postmaster, and probably of the inspectors who knew of his long service in the office, and after it was discovered that he had embezzled money, special inspectors made an examination that went carefully over the books and records, and they then discovered the things to which the gentleman from Wisconsin refers. He had covered up his actions for a long period, and when it became known that he was a defaulter it was a surprise to everyone, so much so that for a long time there was a strong impression that the young man was innocent. The postmaster ought not, I submit, be held responsible under the circumstances.

Mr. STAFFORD. Mr. Chairman, I do not seek to charge up against a postmaster the malfeasance of a clerk, when the postmaster is not accountable for the clerk's defaults.

Mr. BURKE of South Dakota. Mr. Chairman, I wish the gentleman would yield a little further. I want to emphasize what my colleague suggested, that the department in this case required a bond of only \$1,000. With the amount of money-order business that was transacted in this office, which was large, this clerk should have been required to give a much larger bond. The postmaster had no control over the matter whatever. The man was in the office when he went there, appointed through the civil service, and had given the bond required by the Post Office Department.

Mr. STAFFORD. Mr. Chairman, I think it is a case of misplaced confidence on the part of the postmaster in the clerk, who had been long in good standing, and I will give the benefit of the doubt to the postmaster and withdraw the objection.

Mr. GORDON. Mr. Chairman, I object.

Mr. FOSTER. Mr. Chairman, I also object.

The CHAIRMAN. The gentleman from Ohio objects.

Mr. POULSEN. Mr. Chairman, I move that the committee do now rise and report the bills that have been laid aside with a favorable recommendation with the recommendation that they do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House, reported that that committee had had under consideration sundry bills on the Private Calendar, some of which had been laid aside with a favorable recommendation, some with amendment, and some without amendment, and had directed him to report the same back to the House with the recommendation that the amendments be agreed to and that the bills do pass.

#### FEDERAL TRADE COMMISSION.

Mr. ADAMSON. Mr. Speaker, I desire to present on behalf of the managers on the part of the House a conference report and statement on the bill (H. R. 15613), to establish an interstate trade commission, for printing under the rule.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

Conference report on the bill (H. R. 15613) to create an interstate trade commission, to define its powers, and for other purposes.

The SPEAKER. Ordered printed under the rule.

Mr. ADAMSON. Mr. Speaker, I would like to ask if it is necessary to obtain consent that the report and statement shall be printed in addition to the printing in the Record?

The SPEAKER. No; the Chair thinks not.



Mr. ADAMSON. I would like to have it printed as a House document.

Mr. MANN. It is printed as a report.

Mr. ADAMSON. As a matter of course?

The SPEAKER. Yes; it is printed in pamphlet form.

#### RETURN OF SENATE BILL.

The Speaker laid before the House the following Senate resolution:

*Resolved*, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 4517) to establish a standard box for apples, and for other purposes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### BILLS PASSED.

The SPEAKER. The Clerk will report the first of the bills reported from the Committee of the Whole House.

The Clerk read as follows:

A bill (S. 1369) for the relief of the Snare & Triest Co.

The bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

The Clerk read as follows:

A bill (S. 1270) for the relief of Edward William Bailey.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. MANN. I understand that H. R. 5832, of similar title, is to be laid on the table.

The SPEAKER. Without objection, H. R. 5832, of similar title, will be laid on the table.

There was no objection.

The SPEAKER. The Clerk will report the next bill.

The Clerk read as follows:

A bill (H. R. 7553) for the relief of the estate of Moses M. Bane.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

The Clerk read as follows:

A bill (S. 1171) for the relief of Samuel Henson.

The bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

The Clerk read as follows:

A bill (H. R. 9092) for the relief of Ellis Garton, administrator of the estate of H. T. Garton, deceased.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

The Clerk read as follows:

A bill (H. R. 10122) to credit Samuel M. Fitch, collector of internal revenue, first district of Illinois, on the books of the Treasury Department with the sum of \$1,500 for cigar stamps lost or stolen in transit.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

The Clerk read as follows:

A bill (H. R. 4630) for the relief of Fred A. Emerson.

The amendment was read.

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 15637) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. CULBERSON, Mr. OVERMAN, Mr. CHILTON, Mr. CLARK of Wyoming, and Mr. NELSON as the conferees on the part of the Senate.

#### ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found duly enrolled bill of the following title, when the Speaker signed the same:

H. R. 2167. An act to fix the time for holding the term of the district court in the Jonesboro division of the eastern district of Arkansas.

#### ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned to meet to-morrow, Saturday, September 5, 1914, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of State requesting that Congress make an emergency appropriation of \$1,000,000 for the use of the Diplomatic and Consular Service (H. Doc. No. 1158) was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. FLOOD of Virginia, from the Committee on Foreign Affairs, to which was referred the joint resolution (H. J. Res. 307) authorizing the President to extend invitations to other nations to appoint delegates or representatives to the International Engineering Congress to be held at San Francisco, Cal., September 20 to 25, inclusive, 1915, reported the same without amendment, accompanied by a report (No. 1137), which said joint resolution and report were referred to the House Calendar.

Mr. VAUGHAN, from the Committee on Foreign Affairs, to which was referred the bill (S. 4254) to enable the Secretary of War to pay the amount awarded to the Malambo fire claimants by the joint commission under article 6 of the treaty of November 18, 1903, between the United States and Panama, reported the same without amendment, accompanied by a report (No. 1140), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. FLOOD of Virginia, from the Committee on Foreign Affairs, to which was referred the bill (H. R. 18654) providing for the appointment of secretaries in the Diplomatic Service and appointments in the Consular Service, reported the same without amendment, accompanied by a report (No. 1141), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. FLOOD of Virginia, from the Committee on Foreign Affairs, to which was referred the bill (H. R. 18572) granting permission to Mrs. R. S. Abernethy, of Lincoln, N. C., to accept the decoration of the bust of Bolivar, reported the same without amendment, accompanied by a report (No. 1138), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 1304) authorizing the Department of State to deliver to Capt. P. H. Uberroth, United States Revenue-Cutter Service, and Gunner Carl Johansson, United States Revenue-Cutter Service, watches tendered to them by the Canadian Government, reported the same without amendment, accompanied by a report (No. 1139), which said bill and report were referred to the Private Calendar.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SUMNERS: A bill (H. R. 18661) authorizing and directing the Secretary of Agriculture to establish a farm-produce exchange, and for other purposes; to the Committee on Agriculture.

By Mr. McGUIRE of Oklahoma: A bill (H. R. 18662) changing the boundaries of the Federal districts of Oklahoma; to the Committee on the Judiciary.

By Mr. KAHN: A bill (H. R. 18663) to authorize the Government Exhibit Board for the Panama-Pacific International Exposition to install any part or parts of the Government exhibit at the said exhibition either in the exhibit palaces of the Panama-Pacific International Exposition Co. or in the Government building at said exposition; to the Committee on Industrial Arts and Expositions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18664) authorizing the Secretary of the Treasury to purchase or contract for the building of ships for carrying freight; to the Committee on the Merchant Marine and Fisheries.

By Mr. BAILEY: A bill (H. R. 18665) to provide a supertax on incomes to cover deficit in customs receipts due to European

war, and for other purposes; to the Committee on Ways and Means.

By Mr. ALEXANDER: A bill (H. R. 18666) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia, to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY: A bill (H. R. 18667) granting a pension to Hannah Stoudnaur; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18668) granting a pension to Carrie Russell; to the Committee on Pensions.

By Mr. FLOYD of Arkansas: A bill (H. R. 18669) granting an increase of pension to William Burnett; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18670) for the relief of Michael Houlihan; to the Committee on Military Affairs.

Also, a bill (H. R. 18671) granting an honorable discharge to James Crowley, late of the United States Navy; to the Committee on Naval Affairs.

By Mr. KINKAID of Nebraska: A bill (H. R. 18672) granting an increase of pension to Elizabeth W. Glidden; to the Committee on Invalid Pensions.

By Mr. PATTON of Pennsylvania: A bill (H. R. 18673) granting an increase of pension to Zuleima B. Jackson; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 18674) granting a pension to Sarah Foster; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 18675) granting a pension to Annie Hoover; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BAILEY: Petition of R. C. Frampton, of Pittsburgh, Pa., protesting against the passage of House bill 17365, relative to use of mails by insurance companies; to the Committee on the Post Office and Post Roads.

By Mr. BORCHERS: Petitions of sundry citizens of Sullivan, Ill., relative to due credit to Dr. F. A. Cook for his polar efforts; to the Committee on Naval Affairs.

Also, petition of 40 citizens of Dewey, Ill., favoring national prohibition; to the Committee on Rules.

By Mr. DILLON: Petition of the Farmers' Cooperative Association of South Dakota, favoring the passage of House joint resolution 311, "Steadying the world's price of staples"; to the Committee on Foreign Affairs.

By Mr. FLOOD of Virginia: Petition of sundry citizens of Appomattox County, Va., favoring enactment of personal rural credit bill; to the Committee on Banking and Currency.

By Mr. GREEN of Iowa: Petition of the Greater Davenport Committee, asking for a discontinuance of the present session of Congress; to the Committee on the Judiciary.

By Mr. HAMILL: Petition of the New Jersey State Federation of Labor, protesting against national prohibition; to the Committee on Rules.

Also, petition of the New Jersey State Federation of Labor, relative to Government contract for printing of corner-card envelopes; to the Committee on Printing.

By Mr. KENNEDY of Connecticut: Memorial of the Hartford (Conn.) Central Labor Union, favoring an investigation by the Department of Justice into the high cost of living; to the Committee on the Judiciary.

By Mr. REILLY of Connecticut: Petition of the Cigar Manufacturers' Association of New Haven, Conn., protesting against increase of tax on cigars; to the Committee on Ways and Means.

Also, petition of the Hartford Central Labor Union, urging relief from high cost of living; to the Committee on the Judiciary.

By Mr. WATSON: Petitions of sundry citizens of Dinwiddie County, Va., favoring investigation of bill relating to personal rural credit; to the Committee on Banking and Currency.

By Mr. WILLIS: Petition of P. C. Ries and 250 other citizens of Hardin County, Ohio, in favor of House joint resolution 282, relative to polar explorations; to the Committee on Naval Affairs.

#### SENATE.

SATURDAY, September 5, 1914.

The Senate met at 11 o'clock a. m.

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

We thank Thee, our heavenly Father, for those influences that draw our hearts to Thee. We thank Thee for those great principles which Thou hast implanted in the thought of mankind—for the consciousness of a Supreme Being, for that feeling of dependence upon this higher power, and for the longing of the soul after God. May we cherish these instincts of our nature and not pervert their divine purpose. May we be wise in our generation and seek our peace and safety and prosperity in harmony with Thy righteous laws. May our deliberations this day reflect the honor of Thy name to the credit of Thy servants and of the great country which they represent. We ask it for Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Tuesday, August 25, 1914, when, on request of Mr. MARTINE of New Jersey and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### THE NAUTICAL ALMANAC.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Navy, transmitting, pursuant to a resolution of July 17, 1914, information in regard to the Nautical Almanac. The communication is in response to a resolution introduced by the Senator from Washington. The Chair would inquire what the Senator desires to have done with the communication?

Mr. JONES. I do not know what is the rule in reference to printing such documents. I think probably it would be well to send it to the Committee on Appropriations.

Mr. SMOOT. Without printing?

Mr. JONES. Yes; without printing. It may not be necessary to print it.

The VICE PRESIDENT. The communication and accompanying papers will go to the Committee on Appropriations.

#### CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, so that we may have morning business attended to and not be broken into every half hour when some one is making a speech, I suggest the absence of a quorum, and I shall state that when we do get a quorum I shall object to any further morning business being received after the morning hour has closed during the balance of the day.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Newlands	Smoot
Brady	Gallinger	Norris	Stone
Bryan	Jones	Perkins	Swanson
Burton	Kenyon	Pittman	Thomas
Chamberlain	Kern	Poinsett	Thompson
Chilton	Lea, Tenn.	Ransdell	Thornton
Clapp	McCumber	Sheppard	Townsend
Cole	Martin, Va.	Shields	Vardaman
Cummins	Martine, N. J.	Shively	Walsh
Dillingham	Myers	Simmons	White
Fall	Nelson	Smith, Ga.	Williams

Mr. TOWNSEND. I desire to announce that the senior Senator from Michigan [Mr. SMITH] is unavoidably absent from the Senate. He is paired with the junior Senator from Missouri [Mr. REED]. This announcement may stand for the day.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

Mr. DILLINGHAM. I wish to announce that my colleague [Mr. PAGE] is still detained on account of illness in his family.

Mr. GALLINGER. I wish to announce the unavoidable absence of the junior Senator from Maine [Mr. BURLEIGH] and also the unavoidable absence of the junior Senator from West Virginia [Mr. GOFF], who is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. STONE. I desire to state that my colleague [Mr. REED] was called from the Senate yesterday and will be absent to-day. It is on a matter of importance.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. POMERENE answered to his name when called.

Mr. BANKHEAD, Mr. HOLLIS, and Mr. LANE entered the Chamber and answered to their names.